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HOUSE OF COMMONS

Tuesday, February 20, 1962

The house met at 11 a.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF U.S. POSTMASTER GENERAL, AND ASSOCIATES—CONGRATULATIONS ON U.S. SPACE FLIGHT

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, if the house will permit me I should like to draw attention to the presence in the gallery of Mr. J. Edward Day, Postmaster General of the United States, who is visiting Ottawa for discussions in connection with postal developments. He is accompanied by several distinguished citizens of the United States and members of the advisory committee. There is no better example of the benefits of international co-operation than can be found in the post office departments of the world.

It is particularly pleasing to welcome him at this time on behalf of his country when all of us in the free world, and in the uncommitted world as well, are watching the course of Colonel John Glenn as he speeds into history for the benefit of all mankind. I am sure I voice the prayers and hopes of all of us that the flight, so auspiciously begun, will be successful after so many disappointments and delays, in the process of which these facts became known to the world, as is always the case amongst democratic nations.

I know everyone is happy today, and I am sure the house will allow me to express the hope that the flight will continue to be, in its remaining circuits of the earth, as successful as it has already been. The latest word is that Colonel Glenn is approaching his first encirclement of the earth, and all of us pray for a successful conclusion. This House of Commons, I am sure, is united in extending congratulations to him, to his technical advisers, and in particular to the President and people of the United States.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, we on the opposition side would like to join with the Prime Minister in the welcome he has expressed to a distinguished member of the cabinet of our great friend and neighbour. It is an auspicious day on which the Postmaster General has arrived in Ottawa, an auspicious day in the history of his country, and we Canadians share in the pride that all Americans must be feeling this morning, just as a good many of us shared the excitement of the television screen with them from an early hour this morning.

Mr. H. W. Herridge (Kootenay West): The members of this group are in complete agreement with the welcome given the Postmaster General of the United States by the Prime Minister and the Leader of the Opposition. I might say that we wish all other departments of governments in all countries could emulate the example of the post office departments in constructive co-operation in the arts of peace.

We also join with the Prime Minister and the leader of the official opposition in their best wishes to the United States astronaut, John Glenn, whose space flight is now being watched with such interest and admiration.

EXTERNAL AFFAIRS

APPOINTMENT OF HIGH COMMISSIONER TO AUSTRALIA

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I am pleased to announce the appointment of Mr. Evan W. T. Gill as high commissioner for Canada to Australia. Mr. Gill, at present an assistant undersecretary of state for external affairs, will succeed Mr. Terence W. L. MacDermot, who has retired from the public service after a long and distinguished career. Mr. Gill will take up his appointment in Canberra in the spring.

Mr. Gill's extensive and varied experience, both inside and outside the public service, makes him eminently qualified for his new post. He graduated from the Royal Military College in 1923 and received a B.Sc. degree from McGill University in 1925. Before the war he served with industrial and commercial organizations. He joined the Canadian army in 1940 and rose to the rank of lieutenant colonel in 1944. From 1944 to 1946 he served as secretary to the chiefs of staff committee and as a member of the cabinet secretariat. On demobilization he was appointed to the civilian staff of the privy council office and served as secretary to the cabinet defence committee and other cabinet committees.

In the Department of External Affairs, which he joined in 1950, Mr. Gill has held with distinction a number of important appointments. He served as counsellor at Canada House in London during 1950-51, and then became head of the personnel division in the

department. He was appointed high commissioner for Canada to the Union of South Africa in July, 1954, and in March, 1957, he became Canada's first high commissioner to Ghana. He was appointed assistant under secretary in April, 1959.

Mr. Gill's special interest and wide experience in commonwealth affairs will, I am sure, be particularly valuable in maintaining our close family links with Australia. These connections are especially important at this time in view of the important economic developments taking place in the commonwealth.

Hon. Paul Martin (Essex East): Mr. Speaker, it has not always been the practice to comment on announcements with regard to those who have been appointed to positions in our diplomatic corps. However, I should like to note with satisfaction the appointment of Mr. Gill, to take effect next spring, as our high commissioner to Australia. Mr. Gill has had a very distinguished career in our foreign service. As the minister said, he has served Canada with distinction in many capacities, among these as a former high commissioner to South Africa. He will be replacing Mr. MacDermot, I take it, who has rendered distinguished service to Canada in more capacities than one, not only as a representative of Canada in several countries but as one who served Canada as a very distinguished educationalist before he joined the public service.

This appointment is received with satisfaction and also with an expression of gratitude to Mr. MacDermot for his distinguished service to the government of Canada, to the public service and to Canada itself.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the members of this group are not closely acquainted with Mr. Gill, but when there is a question of an appointment such as this, knowing the capacity of the Secretary of State for External Affairs to assess the ability and integrity of individuals, we are quite willing to accept his recommendation and his views. We wish this gentleman every success in the important mission he has undertaken for this country.

EXTERNAL AFFAIRS

FURTHER REFERENCE TO STATEMENTS BY ASSOCIATE MINISTER OF DEFENCE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister. Has the Prime Minister any comment to make on the statement of his colleague, the Associate Minister of National Defence, that his recent difficulties arising out of his condemnation of the governments of Ecuador and British Guiana as communist were due to bad reporting by the Canadian Press?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I naturally have no comment on that matter. I also saw a report of a speech delivered yesterday by the hon. gentleman in which he condemned the $40 million being paid to western farmers.

Some hon. Members: Hear, hear.

Mr. Chevrier: Mr. Speaker, I have a supplementary question, but before asking it I rise on a question of privilege.

Some hon. Members: Oh, oh.

Mr. Chevrier: I did make a speech in which I referred to the $40 million, but I did not condemn it; on the contrary, I said that we on this side of the house had approved of it.

Some hon. Members: Oh, oh.

Mr. Chevrier: Just a moment. But I did make the statement that I thought the Prime Minister and his government were doing very little for the eastern farmers.

Mr. Ricard: This is the second time you have done that.

Mr. Chevrier: The supplementary question I pose to the Prime Minister is this—

Mr. Sevigny: Mr. Speaker, I rise on a question of privilege. If the hon. member has questions to ask concerning my statements, he should ask them of me.

Mr. Chevrier: The supplementary question I should like to ask the Prime Minister—and I shall determine to whom the questions are to be directed, not the associate minister—

Mr. Sevigny: Will you ask them of me?

Mr. Chevrier: I will, in due course. The supplementary question to the Prime Minister is this. Is the Prime Minister aware that in a statement on the C.B.C. on Sunday, following the violence which took place in British Guiana, the associate minister in effect repeated the statement that the government of British Guiana was communist when, as reported in *Le Devoir* of February 20, he is quoted as saying:

> Don't you see? Who is ignorant? Who was in error? Have we not here a communist government?

I ask the Prime Minister whether he has any comment to make on that matter.

Mr. Pigeon: This is so ridiculous.

Mr. Diefenbaker: I have not seen that article, and naturally I have no comment to make on it. Comments in this connection have already been made.

Mr. Chevrier: Since the Associate Minister of National Defence—

Mr. Speaker: Order. I am doubtful whether the inquiries the hon. member for Laurier is making are a proper subject for a question at this time. They may be an appropriate subject of debate, but I fail to see what information he is asking for in the questions he has asked. I think one supplementary question is ample to allot to the subject.

Mr. Chevrier: Then may I ask the associate minister, who is so anxious to reply to this question, and who in effect has repeated—

Mr. Fleming (Eglinton): Order.

Some hon. Members: Question.

Mr. Campbell (Stormont): Mr. Speaker, I rise on a point of order—

Mr. Chevrier: The question, Mr. Speaker—

Mr. Speaker: Order. Would the hon. member resume his seat. I raised a point of order myself. If the hon. member who apparently wishes to ask another question wants to discuss the point of order, he is permitted to do so. I will hear the hon. member for Stormont later if it is necessary.

Mr. Chevrier: The question I wish to put to the associate minister is this—

Mr. Speaker: Order. My question is whether the inquiries the hon. member is making are appropriate for the orders of the day. They do not seem to be a search for information. If the hon. member wishes to initiate a new question, I will hear him in due course.

Mr. Chevrier: Well, I am speaking now on a point of order, and it is this. The minister, having risen in the house and having made an apology for the statement he made earlier concerning his accusation that the governments of both these countries were of communistic nature, has in effect, in a television program in Montreal on Sunday, repeated the same accusations.

An hon. Member: On a point of order—

Mr. Speaker: I will hear the hon. members in due course, but the hon. member for Laurier is now addressing himself to a point of order; at least I hope he is.

Mr. Chevrier: I was about to say that the minister has in effect repeated his accusations, if he is properly quoted in the report which I have now. On that basis I was about to ask Your Honour's permission to address a question to the Associate Minister of National Defence.

Mr. Speaker: I will hear the hon. member's question in due course and deal with it then. If either of the hon. members who rose to speak on points of order have anything else to say, I will hear them now.

Mr. Grant Campbell (Stormont): Yes. I do not think the hon. member for Laurier or anyone else is entitled to conduct an inquisition to serve his own party or personal ends.

Mr. Speaker: The hon. member seems to be generating more heat than light with regard to the point of order.

(Translation):

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I very clearly stated to the house, on February 12, that I had not expressed myself correctly in a statement I made in Montreal. Having made that inaccurate statement, Mr. Speaker, I corrected myself. I have nothing to add to, nor to retract from, the statement I made in this house.

But I will say this. In an interview on television last Saturday evening, I did not repeat what I had said in a speech I gave in Montreal.

(Text):

But, Mr. Speaker, I said this; that in view of the week-end events, and in particular the events which took place in British Guiana; and in view of the reports which we have read and which have been written by commentators in the Canadian Press and other periodicals it is amply evident that communism is spreading in Latin America and is presenting a danger to world peace. That is all I said.

Mr. Speaker: The hon. member seems to have taken the view with respect to the point of order that the subject is a relevant one, and if the hon. member for Laurier has a supplementary question—if a supplementary question is necessary—I will give him the floor.

Mr. Chevrier: Yes, I have, sir.

(Translation):

Further to the statement the minister just made, I should like to ask him the following question. Did he, yes or no, in his interview on television, use the following words:

Don't you see? Who is ignorant? Who was in error? Have we not here a communist government?

Did the minister use these words during his interview?

Mr. Sevigny: Mr. Speaker, I do not believe I used those words. I said this. In view of

the events which have been reported in the press over the week end, in relation to what has been going on in British Guiana, in view of the articles written on the progress being made by communism in Latin America, it is quite evident that we must be aware of the danger. If the hon. member for Laurier does not feel that communism constitutes a threat, then let him say so publicly.

Mr. Chevrier: Mr. Speaker, in reply to what the minister has just said, I rise on a point of order.

(Text):

Mr. Speaker: Order. The hon. member for Laurier is not entitled to reply to the answer. He has been allowed three supplementaries, and I think the subject might well now be left for debate at a time when it is appropriate to enter into debate.

The hon. member for Kootenay West.

Mr. Herridge: Well, Mr. Speaker, I was rising to ask a supplementary question.

Mr. Speaker: The same ruling applies to the hon. member for Kootenay West.

[*Later:*]

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the statement of the Associate Minister of National Defence, can the Prime Minister say whether it is the policy of the government to have members of the government make speeches on its behalf—

Some hon. Members: Order.

Mr. Hellyer: —based on alleged facts gleaned from newspaper reports?

Mr. Speaker: Order. Perhaps the Prime Minister heard the question. There was considerable interruption, and I must say I had difficulty myself in hearing it.

Mr. Churchill: On a point of order, Mr. Speaker, I understood Your Honour to rule out further supplementaries with regard to speeches made by the Associate Minister of National Defence.

Mr. Speaker: If the hon. member wants to ask his question, would he repeat it so that I may determine whether it is proper.

Mr. Hellyer: The question is this. Is it the policy of the government to have members of the government make speeches on its behalf based on facts allegedly gleaned from newspaper reports?

Mr. Speaker: I think the hon. member's question is a purely hypothetical one.

Mr. Hellyer: On a point of order, Mr. Speaker, it is not hypothetical, because this is what the associate minister has informed the house and the country that he did.

Mr. Speaker: If the hon. member is asking a question about the conduct of the associate minister, that matter has been disposed of for this morning. If it has to do with other matters it is not attached to any specific facts and, as I say, it is hypothetical.

COMBINES

CANADA PACKERS—INQUIRY AS TO COURT ORDER

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of Justice. On January 31, as reported at page 401 of *Hansard*, I asked the minister a question relating to the disposition of the recommendation of the restrictive trade practices commission regarding the action of Canada Packers in acquiring two other companies. At that time the minister answered as follows:

> My recollection is that this matter has been referred to counsel, but with precisely what instructions I do not recall. I shall have to look that up and give a more complete answer tomorrow.

Is the minister now able to enlarge upon that answer?

Hon. E. D. Fulton (Minister of Justice): Yes, Mr. Speaker. The answer is that the report was referred to counsel for an opinion as to prosecution.

Mr. Howard: A supplementary question, Mr. Speaker. Would the minister indicate whether that opinion has been received as yet?

Mr. Fulton: My recollection is that it has not been, but if I am wrong I shall advise the hon. member.

THE CENSUS

STATEMENT REGARDING AVAILABILITY OF POPULATION FIGURES

On the orders of the day:

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, yesterday the hon. member for Port Arthur asked me when the final census figures would be presented. I said I would speak to the dominion statistician, and having done so this is the report he has given me.

As usual there will be three reports, as follows:

1. It is expected that the final population total for Canada, the provinces and the northern territories for the census of June 1, 1961 will be released in the daily bulletin of the dominion bureau of statistics about March 9.

2. The population of the electoral districts, totals only, for 1961, 1956 and 1951 censuses, a four page bulletin, will be released about March 20.

3. The population of the electoral districts and census subdivisions totals for 1961 and 1956 will be released about June 5.

It should be noted that releases on other aspects of the 1961 census will become available while work is proceeding on bulletin No. 3. These are not related to the problems of redistribution of the House of Commons.

These 1961 census results will be four weeks later than in 1952 due to the fact that we are dealing with a considerable increase in our population, nearly 30 per cent, and have carried out more extensive checking operations to ensure greater accuracy and as complete a count as possible. Hon. members should note that the last redistribution bill was first introduced on March 10, 1952 but had to be withdrawn and a new bill introduced on June 27, due to premature action in presentation of the final figures. It has been decided to avoid any chance of error this time by the more extensive checking operations to which I have referred.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, in the light of the answer given by the Minister of Trade and Commerce may I put a question to the Prime Minister, and ask whether he is in a position to give the house an assurance that the constitutional requirement in regard to a readjustment of the seats in the House of Commons will be carried out before another general election is held.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that matter will receive attention in due course. However, it strikes me as strange that those who have been calling every day for an election are now speaking about constitutional difficulties.

Mr. Pickersgill: Mr. Speaker, I rise on a question of personal privilege.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I might point out that I asked the question and I am not "those"; I am singular.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Also may I point out that I have personally taken no part in the election speculation. I should like to put a supplementary question to the Prime Minister and ask the hon. gentleman whether he recalls that a former government in the war years felt it necessary to get a constitutional amendment to postpone a redistribution.

Mr. Speaker: Order. The hon. member's question is an argumentative one and would lead to a debate.

Mr. D. M. Fisher (Port Arthur): A supplementary question, Mr. Speaker. I wonder whether the Prime Minister could indicate the order of priority as between the redistribution bill that will follow the publication of these figures and the intimation in the speech from the throne that redistribution commission will be established?

Mr. Diefenbaker: Mr. Speaker, the hon. member has come to the heart of the matter. He did not approach it in the singular manner of the hon. member for Bonavista-Twillingate. As a matter of fact, it will require legislation on the part of parliament as soon as it can be brought in to provide for the setting up of a commission to make the study that was forecast in the speech from the throne.

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM—INQUIRY AS TO REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I have a question for the Minister of Justice. Has the minister any further information to give to the house with regard to his recent meeting with Hon. Robert Bonner, attorney general of British Columbia, apart from what has already appeared in statements by Mr. Bonner?

Hon. E. D. Fulton (Minister of Justice): No, Mr. Speaker. Mr. Bonner and I agreed that the details of our discussions would be confidential for the time being. We both made general statements as to the nature of the discussions which concerned the Doukhobor problem in British Columbia and a particular problem arising out of the application of the succession duty act.

ORGANIZED CRIME—STATEMENTS BY R.C.M.P. COMMISSIONER AND MINISTER

On the orders of the day:

Mr. M. D. Morton (Davenport): Mr. Speaker, I should like to direct a question to the Minister of Justice. Did the commissioner of the R.C.M.P. state, as reported in a recent press article, that the Mafia is in control of organized crime in one or more Canadian cities?

Hon. E. D. Fulton (Minister of Justice): Commissioner Harvison has assured me that at no time did he state that the Mafia or any other organization controlled big crime in any Canadian city.

He has, however, made speeches, as I have myself, calling attention to the problems arising from the fact that organized crime syndicates are showing an increased interest in setting up operations in Canada. His speeches of October 2, 1961 to the international association of chiefs of police in Montreal, and of November 6, 1961 to the Canadian club of Toronto; and my speech of October 4, 1961 to the international association of chiefs of police in Montreal, are an accurate reflection of official views on this matter, which are there outlined in some detail and in proper perspective.

I should like to emphasize that the heads of law enforcement agencies in Canada are very much alive to this problem and have held several exploratory meetings with a view to co-ordinating their efforts in this connection and discussing measures which can be taken to safeguard the public interest. These meetings have been attended by the directors and chiefs of several police forces in the provinces of Quebec and Ontario, as well as the heads of the provincial police forces in those provinces. Commissioner Harvison has attended as head of the Royal Canadian Mounted Police.

Hon. Paul Hellyer (Trinity): A supplementary question. Can the minister say whether he plans to introduce any legislation at this session of parliament which would assist the police in controlling this matter before the syndicates become entrenched?

Mr. Fulton: I have nothing to add to the reply I just gave.

TRADE

CUBA—REPORTED DISCUSSION IN NATO COUNCIL

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Secretary of State for External Affairs if he can confirm that the NATO council today or shortly thereafter will discuss the matter of trade with Cuba, in the light of representations which it is reported in today's press are to be made by Mr. Walt Rostow on behalf of the government of the United States.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, meetings of the NATO council are private meetings, and it would be quite inappropriate for me to say what is to be discussed in the NATO council today or at any other time.

Mr. Martin (Essex East): Mr. Speaker, in view of the reply given yesterday by the Prime Minister to the hon. member for Vancouver South, can the Secretary of State for External Affairs confirm the report in today's *Globe and Mail* with regard to the holding of such a meeting?

Mr. Green: Mr. Speaker, the NATO council has regular meetings and various subjects are discussed. I cannot make any statement about what happens to be coming up for discussion today or tomorrow.

(Translation):

PUBLIC SERVICE

AGRICULTURE—REPORTED ATTITUDE OF INFORMATION OFFICIALS

On the orders of the day:

Hon. Noel Dorion (Secretary of State): Mr. Speaker, last week the hon. member for Laurier (Mr. Chevrier) asked me whether I would take the necessary steps to remedy a situation allegedly pointed out to the Department of Agriculture with regard to French information supplied by that department. The hon. member's question followed up a report prepared by Mr. H. M. Halliwell for the Minister of Agriculture himself.

Though my jurisdiction may sometimes extend to the giving out of information (more particularly with regard to the department of public printing and stationery and the bureau for translations) it is not my responsibility to define the nature, the quantity or the percentage of documents in one or the other language distributed by the various departments. Except when an act or a ruling so provides, that task is entirely the responsibility of the department concerned.

Yet, I want to point out that it was because of a request made by the Minister of Agriculture himself that the report mentioned by the hon. member was prepared. We may therefore assume that the minister will certainly from now on consider any such recommendation made to him.

(Text):

NATIONAL DEFENCE

NORTH BAY—CONSTRUCTION OF STORAGE FOR NUCLEAR WARHEADS

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Associate Minister of National Defence. Is the minister in a position now to reply to the question which I posed to the Minister of National Defence yesterday?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, in answer to the question of the hon. member for Trinity may I say that facilities for the maintenance and storage of the Bomarc missile have been

constructed at North Bay and are being constructed at La Macaza. These facilities will be available if and when nuclear warheads are obtained.

Mr. Hellyer: Can the minister say when that will be?

Mr. Sevigny: No comment.

HOUSING

REPORTED RENT INCREASES TO SENIOR CITIZENS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to ask the Prime Minister if he has been advised that already many landlords across Canada are increasing rents charged to senior citizens by the amount of the increase in pension recently passed by the House of Commons. Has the Prime Minister any comment, and is there any action the government can take to stop this practice?

Mr. Speaker: Order. The hon. member is asking a question about rents, which are a subject of provincial jurisdiction and not the responsibility of any minister of the crown in this government. If there is a desire to deal with the issue I certainly would not stand in the way, but it is not a proper subject for a question to this government.

Mr. Winch: I thought that a statement by the Prime Minister might have a salutary effect in the interests of the senior citizens of this country.

POSTAL SERVICE

INQUIRY AS TO RESTORATION OF TWICE DAILY MAIL DELIVERY

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I should like to direct a question to the Postmaster General. Does the name of our distinguished visitor, Mr. Day, remind our Postmaster General of a promise he made when he was in the opposition in respect of twice a day mail delivery?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, as the gentleman from the United States has left the gallery that question would not seem to have very much point at the moment. I might mention, however, that in his country as well twice a day mail delivery has been abolished for some time.

PUBLICATIONS

DISCUSSIONS WITH U.S. ON PROPOSED LEGISLATION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask a question of the Postmaster General. In view of the interest and concern in both the United States and Canada with regard to the proposed legislation on publications, is he having discussions with his United States counterpart on the situation as it affects *Reader's Digest* and *Time* magazine in Canada?

Hon. W. M. Hamilton (Postmaster General): There is nothing whatever in that connection which immediately affects our discussions. This is a problem or a situation quite apart from the post office.

SPEECH FROM THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, February 19, consideration of the motion of Mr. Rodrigue Bourdages for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

(Translation):

Mr. Jean-Paul Racine (Beauce): Mr. Speaker, when the house adjourned last night, I was talking about the lack of action on the part of the government in dealing with unemployment, as well as about the slump in which agriculture finds itself.

For the voters as well as for the member at home during the parliamentary recess, there were few administrative statements from parliament, the headlines being given rather to the former senator from Jean Talon hospital, to the letter, signed or not, from the Secretary of State, to the trip to Quebec, and to the appointment of Mr. Maurice Richard to the Senate.

Mr. Maurice Richard undoubtedly was one of our great French Canadian athletes, and it would be unfortunate to see his name linked with the administrative failure of the present government.

The speech from the throne did not tell us much that was news. It contains, however, a popular measure that we readily approve, that is the one about the increase in the old age pensions.

There again, it is fortunate that the Conservatives came after a Liberal government, because they did not initiate any social measure; and the increase in the old age pensions proves that they now approve that Liberal measure that was called for at the time the law was enacted.

The family allowances date back to 1944 and the best way of knowing if an increase is justified is to consider the upward trend in the cost of living since they were adopted.

Rent stood at 91.4 per cent in 1945 and had reached 132.7 per cent in 1960; the cost of clothing, which stood at 66.9 per cent in 1945, had increased to 110.9 per cent in

1960; the cost of food, which stood then at 66.3 per cent, had climbed to 122.2 for the year 1960.

That means that the value of the dollar, taking these statistics into account, is almost half what it was when the allowances were put into effect; and we can conclude that the buying power of the Canadian family has decreased by that much, whereas it should be increased to stimulate the country's economy.

These statistics not only show but prove that an adjustment of the family allowances rate is necessary. The adjustment is all the more essential since the Conservatives came to power, because they brought with them unemployment as it exists today.

By overlooking family allowances, the government is condoning a lack of distributive justice and puts many Canadian families in an intolerable situation, depriving them of a buying power that, while improving their economic conditions, would contribute to give back to the country, in a large measure, that economic development it should have.

I am not surprised at the inaction of the government in that regard. The Tories have always proved, by their statements, that they were against the allowances, and the attitude of the present government proves again that the Conservatives have not changed their minds and still have a great disregard for the families that make up our country.

I should not like to repeat today the ungracious statements made by the leader and members of the Conservative party on this subject, but it is agreed that immediate action is imperative.

Speaking of the next general election—it is bound to take place—and, in that connection, we just have to refer to a Canadian Press report of January 3 last entitled: "1962 holds promises of a bright future—Mr. Diefenbaker". According to the Prime Minister, a year of promises, and he knows what he is talking about. This will be an election year and we, on this side of the house, are awaiting the election eagerly, not for our own satisfaction, but for the benefit of the Canadian people. We feel that the slogan "Follow John" will not bring to the Conservatives the same results as in 1958.

Farmers who form one of the most important parts of our population feel the same way as we do concerning the government's inertia. As a matter of fact, the January 17 issue of *Terre de Chez Nous* published an article entitled: The federal government's inertia exposed. The article states further on that the Canadian federation of dairy farmers has expressed, on behalf of Canadian dairy farmers, its regrets and disappointment in the face of the federal government's inertia.

Speaking on behalf of the 350,000 members of the federation, the president, Mr. Lutes, deplored the government's failure to take action on a brief which was submitted about two months ago and which urged the immediate payment of 14 cents a pound to subsidize the consumption of butter.

For his part, Mr. Pierre Cote considered the present butter consumption deplorable and pointed out that it was going down every month, while the surplus amounted to more than 200 million pounds.

As Mr. Cote says, it is obvious that this surplus is due to the high resale consumer price and unless the federal government takes the necessary means to improve the situation by paying a subsidy, there is no hope of solving the problem.

If the situation is so serious, it is because of the present government.

Here is what Mr. Paul Henri Lavoie writes in the December 6, 1961 issue of *Terre de Chez Nous:*

> The change in government at Ottawa has only made matters worse since the views of those concerned, the producers, have practically always been systematically ignored. Such was the case, for instance, when the oft-repeated suggestion was made that a subsidy be paid for butter consumption. What was bound to happen did indeed happen. Faced with a situation which could soon become disastrous, after they ignored the producers' recommendations when it was time to make decisions, the government is now inclined to blame the producers and make them pay the full price for mistakes in which they had practically no part.

That issue of *Terre de Chez Nous* did not mince words in regard to the government. At the present time, the only place where butter consumption can be increased is on the domestic market and the only way to do that, is to pay consumer subsidies.

In fact, there can be no question of exporting our surpluses, except at a loss, since prices on world markets are lower than those on the Canadian market. Then, why not have Canadian families benefit by such a subsidy instead of the importing countries?

The unemployment situation is still a source of worry in Canada, notwithstanding the Prime Minister's formal promise that, if he were elected, no one would have to suffer from unemployment.

What is even worse is that the unemployment insurance fund, to which employers and employees of our country are contributing, is practically depleted. Almost $1 billion has been spent recklessly by the government in this field alone.

The Liberal leader was certainly right when he said in the course of this debate that the slogan "Follow John" had been very costly for the Canadian nation.

The Unemployment Insurance Act has been in force since July 1, 1941 and last year it had been in existence for 20 years.

It is quite impressive to note that under this Liberal legislation, during that period of time, over $3 billion was paid out in benefits, that is an average of more than $400 million each year paid out to those who suffered from unemployment, but there have been so many unemployed in the last four years that the fund has decreased alarmingly.

On the occasion of the twentieth anniversary, the dominion bureau of statistics published a special article which was reprinted in the *Labour Gazette,* the official publication of the Department of Labour.

Analysing that article in the light of the statistics on the situation of the fund, we note that due to the present unemployment situation, and the great number of benefits being paid, there has been in the last four years a huge deficit between the average annual revenues and the amount of benefits paid out. Therefore, we cannot but condemn this government for its failure to end unemployment.

What has the present government done to solve the unemployment situation? Nothing worthwhile, except passing the buck and putting the burden on the municipalities. And yet, the present situation is the very confirmation of the inefficiency of this government. What have the members of the cabinet done recently? They have travelled a lot. Sometimes, we find the Minister of Justice (Mr. Fulton) in Quebec city preaching repatriation of the constitution, while the Minister of Transport (Mr. Balcer), makes announcements about shipbuilding in British Columbia.

At about this time last year, the Prime Minister went to Japan, ostensibly to pave the way for the textile messiah, the member for Sherbrooke (Mr. Allard). Indeed, they have travelled a lot, but they have accomplished very little, and the people will certainly call them to account in the next national election.

Electoral blackmail has but a minute importance nowadays, and the Prime Minister is well aware of that. That is why he backed down during the last session on the issue of the amendment by the other place of the bill giving certain powers to the Minister of National Revenue (Mr. Nowlan). It is a well-known fact that the amendment aroused the ire of the Prime Minister who tried his hand at electoral blackmailing.

That is what led Mr. Vincent Prince of *La Presse,* to make the following statement about the Prime Minister in an editorial dated July 12, 1961, I quote:

> Then why should he resort to threats? We see only one plausible reason: Mr. Diefenbaker is engaged in political blackmail. He is looking for a campaign issue.

What was true at the time that editorial was published is still true and the Prime Minister is still looking for some issue which would appeal to the people in the next election.

He tried hard in the speech from the throne to win friends among our senior citizens, but when he carries the pleasure as far as saying that the Liberals are repenting, he is wittingly mistaken because how could he have granted that increase if the act had not been passed by a Liberal government?

According to a report published in *Le Devoir* of January 10, the Prime Minister said:

> Everyone still remembers the famous six dollars the Liberals had promised in 1957.

The Prime Minister should know that it was not a Tory promise but a Liberal action, and the article goes on to say:

> Those who today are making promises are the same ones who believed then that six dollars were adequate.

The Prime Minister is knowingly and wilfully overlooking the fact that this measure was introduced by the Liberal party and that out of the $65 paid to the aged, $46 come from the Liberal party and not from the Conservative government. Has the Prime Minister forgotten that the pensions now received by our senior citizens come, in the proportion of 70 per cent, from a Liberal government?

Those who benefit from those pensions have not forgotten and will not forget. They will not forget that, while they benefit from an increase, their children and grandchildren were completely overlooked.

They will recall the consideration which the previous Liberal government gave to the welfare of Canadian families, that is to say to their children and grandchildren. They will recall that the last speech from the throne was as lacking as the previous ones in family benefits, and that the important question of family allowances was ignored. Such is the

sympathy shown by this government to our families who, by the thousands, are suffering from unemployment due to Conservative policies.

It is a Tory speech from the throne, since it is against the family like the party and government now guiding Canada's destiny.

There is nothing surprising about the fuss being raised in this administration, if we consider the contradictory statements made by cabinet members.

At the Accra conference, the Minister of Trade and Commerce (Mr. Hees) stated that Great Britain's intention, with regard to the common market, is bound to dismember the commonwealth. In Halifax, the Prime Minister said he was confident, on the contrary, that the British would protect Canada, while in Windsor, the Minister of Finance (Mr. Fleming) stated emphatically that Canadian trade would greatly suffer.

In the atomic field, the Minister of National Defence (Mr. Harkness) cannot get over the fact that Canada is without nuclear warheads, while the Secretary of State for External Affairs (Mr. Green) is happy about the fact that we do not have any. No wonder things are not running smoothly.

When I listened to the speech of the hon. member for Rosthern (Mr. Nasserden) on January 29, I was not so much interested in the topic he discussed as in the designation he used for the previous Liberal administration. He mentioned at least four times the St. Laurent-Howe administration, but speaking of this government he said the "Diefenbaker government".

As a Conservative member, he was perfectly right in not associating with the name of the Prime Minister that of a French-speaking member of the cabinet.

The Liberal party has always respected the two main ethnic groups in Canada: we had the Mackenzie King-Lapointe team, then the Mackenzie King-St. Laurent team and finally the St. Laurent-Howe team.

I wonder how the present Prime Minister can claim to be the champion of national unity when he did not do anything along that line.

Let not the Prime Minister be mistaken about it, the public is aware of those facts. I wish to quote a few paragraphs from an article of Vincent Prince published in *La Presse* of December 29, 1961, under the title:

Water-carriers in the ministry.

Here is what the article says:

Most newspapers had foreseen that Prime Minister Diefenbaker would take advantage of his trip to Quebec yesterday to announce a major cabinet shuffle and the strengthening of the position of French-speaking ministers within the ministry.

Once again, the Conservative leader belied the prophets. Nothing of the sort happened. The various heads of departments remained the same and the only change in the Quebec representation is that Mr. Jacques Flynn, the member for Quebec South, has replaced Mr. Paul Comtois, recently appointed lieutenant governor of the province.

The ministers from Quebec continue to head the least important, or at any rate the least glittering departments in the federal administration. True enough, Mr. Noel Dorion has been appointed chairman of the privy council, but that is purely an honorary title. He is still Secretary of State and his functions have not been extended, contrary to what others had expected.

The new minister, Mr. Flynn, has simply inherited the portfolio of his predecessor, mines and technical surveys, while Mr. Sevigny remains Associate Minister of National Defence, Mr. O'Hurley, Minister of Defence Production, and Mr. Balcer, Minister of Transport.

And I continue to quote from that same article in *La Presse*.

Except for this last department, it will be admitted that the posts entrusted to our representatives are rather uninfluential. More generosity could surely have been shown. The Department of Justice, for instance, would have suited us very well. Mr. Dorion or Mr. Flynn would have been equal to the task. In any case, the more important portfolios—finance, trade and commerce, national defence, national health and welfare, agriculture, etc., continue to slip away from us.

It is unfortunate that Mr. Diefenbaker should have chosen the capital of French Canada to announce that he is perpetuating our inferiority in his cabinet. It was not worth the trip for his ministers. The announcement could just as well have been made in Ottawa.

Can the Prime Minister claim to be the champion of national unity when he flatly turns down, without an explanation or any consideration, the request for the setting up of a royal commission on bilingualism?

Can the Prime Minister claim to be the champion of national unity when he attempts to work up the rest of Canada on the question of the flag? What is he trying to do, in this regard—appeal to race prejudice?

This is what we are asking ourselves when we see how hard he has been trying to revive a badly reported statement of the leader of the Liberal party, made in Amherst, Nova Scotia, last November, and which our leader has described as inaccurate.

What is the Prime Minister trying to do when he asks his lieutenants to spread out this inaccuracy all over Canada before the election? Here are the views expressed in an article published in *La Presse* of January 23, 1962, I quote:

For one, I am afraid that the campaign Mr. Diefenbaker seems to be launching will put us back a hundred years. What are our English-speaking compatriots going to think? They will most

naturally infer that any concession on their part on the flag issue would be equivalent to yielding before an articulate minority which is bent on sabotaging the feelings of the majority, of deriding the noble British traditions.

No, let us hope—

The article continues:

—that Mr. Diefenbaker will think better of it and that in the interests of the national unity he is talking so much about, he will abandon his plan to use for electoral purposes the alleged statement of Mr. Pearson.

That is the credit to be given the Tories and their leader on the issue of national unity.

There is only one thing we must hope for, namely that the general election will be called as soon as possible so that the mess may be cleared without delay, because the people of this country are anxious for a change, they long for a sound economy in all areas both industrial and agricultural in the best interests of all concerned.

Mr. Valade: Mr. Speaker, may I ask whether the member would allow a question now?

An hon. Member: Too late.

Mr. Valade: Would the member allow me to put my question?

Mr. Speaker: I regret, but it is too late now, since the member for Beauce (Mr. Racine) has resumed his seat.

(Text):

Mr. Arthur Smith (Calgary South): Mr. Speaker, may I join with my colleagues in congratulating both the mover and the seconder of this address for their speeches and contributions in this house. This, of course, is not done in any perfunctory way for, as has been said before, they both made very able contributions and can certainly see the reason for their particular choice by the Prime Minister in giving them and their constituencies this important honour. May I also congratulate you, sir, upon your elevation to this important office, and also your colleague the new Minister of Mines and Technical Surveys (Mr. Flynn), and all those who have received appointment as parliamentary secretaries.

I should like to deal with a variety of subjects in the time allotted to me, and at the same time refer to the speech of the Leader of the Opposition in so far as his remarks concerned the question of Canada's prestige abroad. Hon. members will recall that the Leader of the Opposition cluttered up the record of *Hansard* with opinions of other people. It would be interesting if there were a law of plagiarism in this country, because if there were such a law undoubtedly the Leader of the Opposition would have been speechless, as he had very few opinions of his own. Fortunately, however, there is no such law. I say "fortunately" because I intend to refer to some quotations by people who hold somewhat different views than the Leader of the Opposition.

Mr. Hellyer: If there were such a law your speech would be concluded before it had begun.

Mr. Smith (Calgary South): We will hear from the kindergarten of the Liberal party later. I should like to deal with other matters because I think it is important at this time, which may well be the last opportunity for any hon. member, including the hon. member for Trinity (Mr. Hellyer), to make himself heard. Therefore I intend to deal with these items simply and clearly so that even he may understand them.

First may I deal with a question of Canada's prestige abroad. One finds it difficult to understand how such a distinguished parliamentarian as the Leader of the Opposition, who has depended so much for his reputation in the field of diplomacy on the need for the co-operation of others, can now attempt to destroy the reputation of this country abroad. There may be no purpose for following a completely bipartisan policy on external affairs; that is, there is no such need if the principles involved are of such a divergent nature that the parties of this house cannot agree with them. But I suggest that before we decide to expose these differences to the world we had better substantiate by chapter and verse what these differences are, rather than taking the course followed by the Leader of the Opposition and his colleagues in trying to speak out of both sides of their mouths at the same time.

The Leader of the Opposition described the prestige of this country as declining. The only examples he could cite were certain editorial opinions from various foreign editors whose ego was offended by certain action Canada has taken, and which does not conform with their respective opinions. That is to say, it was in the best interests of these editorial writers to take a particular course, motivated by factors with which we could not and would not be expected to agree. I suggest that each of us should remind ourselves that we are not in this house as members of the United Kingdom parliament or the United States congress, but we are here as Canadians, responsible to the people of Canada, and this is where our first interest must lie.

The Leader of the Opposition took it upon himself, as perhaps the only vestige of evidence, to suggest that our prestige abroad had suffered by the representations made by members of the cabinet in their discussions with the United Kingdom in connection with the

common market. I suggest, sir, that we really could not expect that any member of government would not press for all the advantages to be gained by Canada in any of these deliberations. Is it not equally true that representatives of the other commonwealth countries who occupy the same position as our Minister of Finance took exactly the same line of argument on behalf of their countries at this conference?

The Leader of the Opposition criticizes the forecful way in which the Minister of Finance took up the question of Britain's entry into the common market; not opposed to it, but hoping it would take into consideration all the factors that involve this country. What do other Canadians think of this attitude? One can draw opinions from many sources. I should first like to refer to an important quotation from a very responsible body of Canadians who are vitally important to our community. I refer to the Canadian Manufacturers' Association, who in one of their publications say this:

> The Canadian Manufacturers' Association believe that the position taken by the Canadian government will be helpful in strengthening Britain's position in these negotiations. Canada, after all, in common with the other commonwealth countries, can hardly be blamed for making the most strenuous efforts to maintain as far as possible that preferential access to the British market which she has so long enjoyed.

Of course this is a position which Canadians must take in the interests of the development of the prosperity of their own country. What about the attitude of the world abroad toward this country? It is hard to evaluate any evidence in support of the position we have taken in the international community, but naturally as a country grows up and assumes more responsibility it is bound to run into divergent views. We do not disagree in international matters for the sake of disagreement but, as we become increasingly active in the world community, we are bound to encounter different points of view.

Nevertheless we have accomplished a great deal during these past five years, and I think it worth while to place on record some of the things which have been achieved under the guidance of the present Secretary of State for External Affairs. Certainly we can say that under his direction Canada was fortunate in being recognized as one of the vice presidents of the United Nations during the past year. It is well to remember that this international forum is a far more competitive body today than it was in the days when the present Leader of the Opposition was so closely associated with it. At that time there were some 55 member nations, compared with 104 who now occupy seats in that chamber.

There are many more achievements which could be listed. Mr. Marcel Cadieux has been elected a member of the international law commission by the general assembly. We are one of three western countries represented on the committee for the Congo and, of course, we have troops in that country, and have participated in all military actions when invited by the United Nations. We have played an important part in the work of the committee on outer space. We have been one of the principal supporters of the issuance of bonds to support the United Nations. The same comment applies to the project for a food bank. Canada played a role of first importance in the promotion of the resolution regarding radioactive fallout. We were co-sponsors of a resolution asking the Soviet union not to explode the 50 megaton bomb, a resolution which received the support of 87 nations. We were members of the committee of 10 on disarmament and we are members of the present committee of 15 nations. We have established close relations with the new African states, particularly with the French-speaking states, and so on. There are two and a half pages of accomplishments listed here, and I think the house should be made aware of these factors. I ask you, then, does this look like a record of a country which is losing prestige abroad.

In addition to this contribution let me say, as one who has been privileged to sit through three general assemblies, that there was never a day when delegations from other countries did not come to ask us for help or co-operation in connection with resolutions which were to come before the United Nations body as a whole. In the course of the opportunity I have had to visit some 14 countries this year I saw evidence of the respect held for this country, offered to me not as an individual but as a representative of Canada. What does concern me, however, is that for so long Canadians have counted themselves as poor relations to other countries. We have no reason to adopt such an attitude, because our record is one of considerable achievement. That an hon. gentleman with such a responsible task as the Leader of the Opposition should try to drag down the position we occupy abroad is, to my mind, one of the most retrograde steps that could be taken, and I suggest the hon. gentleman has done a great disservice to this country as a whole.

I turn now to another aspect of this subject. I do not propose to look to the past any more, but to look ahead. I think it is important to remind one another as we may shortly enter a new election and a new parliament that we should try to assess what has to be accomplished in the years ahead. I do not contend that it is the responsibility of this

parliament to argue whether or not this government has completed all its election pledges given prior to the present year. I am prepared to let the public of Canada, the small business men, the farmers, the people from the eastern provinces make that decision.

I suggest we might look ahead at some task which, conceivably, the next Conservative government might undertake into the process of its ordinary business over the coming years. First of all I might revert to the field of international affairs. Canada, as I have said, has taken part in a number of aid programs, primarily through the Colombo plan. It has also given extensive assistance to refugees throughout the world. I have a feeling that we might make a greater contribution in another field. My experience has been that many of the countries which receive aid view it with a certain suspicion. They are inclined to inquire what strings are attached to it. Regardless of the course we follow, we must close the gap between the have and the have not countries. So we have two choices open to us; first, to continue to provide goods and services or, second, to assist those countries by providing technicians, educators and others with special skills.

As an example, I visited a clinic in Egypt which was contained in a refugee camp with a population of 3,000. This particular clinic, with two doctors on its staff, treated 550 people in the course of the day I was there. Hon. members can imagine the sort of treatment those unfortunate people received. I thought at that time that if it was possible to have one doctor from any of our graduating classes in Canada, someone about to enter his profession, spend a year or two at this clinic, what a help it would have been to these people. I have often thought, when I have seen refugees attempting to take vocational training courses without text books, what a useful thing it would be if an institution such as our trades and labour unions could arrange to supply these people with the necessary technical books. I have thought the same thing with regard to assisting underdeveloped countries to develop their oil fields, water resources, drainage, farms and so on.

Thus in the next parliament I suggest that we might review the whole operation of mutual aid. Having set up an effective office of mutual aid under an able director, it seems to me that we might shift our emphasis to providing more personnel. I suggest that it might be more acceptable than offering either material aid or cash. The Colombo plan is an example of the success we have had in that field. I do hope this scheme can be expanded to cover countries outside the commonwealth.

The second matter I would like reviewed in a new parliament concerns taxation. Anyone who has been exposed to the present taxation statutes of Canada will realize the difficulty in trying to understand the complications involved. It seems to me that we might review the statutes to determine whether our present laws provide sufficient incentive for business, corporate entities and individuals. We might ask ourselves whether we are taxing ourselves to such an extent that private interests cannot expand because tax incentives do not warrant it. Thus I think there should be a clarification of the present tax statutes.

I have often suggested in this house another matter into which the government of the day might inquire. My friend the Minister of Northern Affairs and National Resources will appreciate what I am about to say. National park policy should be reviewed to determine whether the present act is capable of meeting the two extremes with which we are presently confronted, on the one hand the position taken by those who wish to see the parks maintained as natural museums, and on the other the position taken by those who wish to see ordinary development of the parks for the enjoyment and use of the public. A thorough review of the legislation is needed to eliminate this contradiction.

I turn now to the question of defence, a matter of considerable importance in this house. At some stage we must come to a conclusion as to whether or not Canada will assume nuclear arms. I think all of us can sympathize with the position taken by the Secretary of State for External Affairs and the government, that at a time when Canada is playing a vital role at the United Nations in attempting to work out a satisfactory disarmament agreement it would be very unwise for a country that has assumed leadership in this important field to equip its forces with nuclear weapons, tactical or non-tactical.

I hold a view which may differ from that held by hon. gentlemen on the front benches. After we have explored every possible avenue for working out a successful agreement we must then accept the advice of our professional military people. If they consider it is necessary to the defence of Canada that we have nuclear weapons, I believe we have no other course to follow. However, I emphasize that this should not be done until every avenue has been fully explored toward reaching a successful agreement on disarmament. The taking on of nuclear weapons prior to that would hopelessly prejudice any discussions or negotiations that might lead to a successful agreement.

This is a somewhat different position from that taken by the Leader of the Opposition, who in one report is stated to have said in a

speech that the Liberal government would consider allowing United States troops to have control over nuclear weapons in Canada if it were proved that a United States base here were absolutely essential. This is an example of the hon. gentleman talking out of both sides of his mouth. Of course the hon. gentleman said nothing about the criteria or about who would decide that it was absolutely essential.

When the present government again receives a mandate from the Canadian people it might well look into the question of transportation. I believe the time has come when a new bilateral agreement should be negotiated between Canada and the United States with respect to fifth freedom rights, permitting Canadian carriers to serve a greater number of major United States centres. One of the many anomalies existing in the present agreement is that the markets of San Francisco-Vancouver, Chicago and Montreal are not served by any Canadian or American non-stop carriers but are served by foreign carriers. This situation weakens the position of the Canadian aviation industry. Many other anomalies could be cited. Negotiations should be entered into with the United States so that these and other routes could be made available to Canadian carriers.

I turn now to another matter on which I have frequently spoken in this house; Canada's No. 1 mineral resource, the oil and natural gas industry. The government is to be congratulated on all that has been accomplished in this field in the past five years. I remind the house that in less than five years the Borden commission was established, which analysed the future of the industry and its problems. The appointment of the national energy board arose out of the recommendations of that commission. Following this the board, operating under its composite regulations, promptly handled 11 applications for the export of gas to the United States and dealt with 17 power licences. The board and its chairman deserve commendation for the promptness with which these matters were handled. Following this new regulations came into being governing the Northwest Territories and the Arctic. This was essential for the development of these vast areas. More recently, of course, we have witnessed the establishment of a national oil policy which has been eminently successful in its first year in reaching its target without encountering any real difficulties.

All of this has been accomplished in less than five years. We do well to remind ourselves of it, and to place these facts on the record. Under the new national oil policy the target of 640,000 barrels of oil has been reached this year. We are well on our way to meeting the target of 800,000 barrels by 1963. We should remind ourselves that the Borden commission stated that if such a policy were introduced it must not operate entirely at the expense of oil flowing into the export markets of the Pacific northwest or the United States as a whole. It should be pointed out that a large percentage of Canada's increased production has been exported to the United States rather than being channelled to the Canadian consumer. This is understandable; for oil, like other merchandisable products, follows the line of least resistance. Thus it has captured relatively virgin markets in this initial instance rather than replacing crude oil from foreign sources. It is, however, significant to note that in the next two year period the refinery capacity of Ontario alone will have increased by some 55,000 barrels, and thus we can expect to reduce the flow of oil into these export markets.

The house, I am certain, is familiar with the concern expressed by the United States secretary of the interior and other officials in that country over the level of increase in Canadian oil exported into the United States. The desire of the United States administration to maintain markets for their own producers is understandable. Consequently it might be well to remind ourselves, and in particular the petroleum producers, that if we are to achieve our future targets they cannot be realized at the expense of heavy flow of export sales south of the border without an equal increase diverted for domestic consumption.

I congratulate the government on the development of an oil and gas policy, something which has been required for many years and which, I regret to say, was ignored by the previous administration. I ask the government to give consideration to a new problem that is on the horizon in relation to this industry. It should be recognized that within the next short period of time the North American continent may face an oil shortage. The economic well-being of a country often depends upon its petroleum resources. It is estimated that the safe minimum of 11 years of oil reserves is dangerously close. We are going to have to ask the industry to step up and increase exploration and development. Predictions for the next 20 years indicate that the industry will be called upon to find new reserves that will yield substantial quantities of oil, up to 800,000 barrels per day or several times the finding rate during the last few years. In fact another authority, the Chase National Bank, has predicted that the demand for oil will be 73 per cent greater in the decade ending in 1970.

I have brought these figures to the attention of the house for one reason. If we are going to face a shortage of oil we had better recognize it now. We had better accept also that the necessary increase in exploration and development are going to cost a great deal of money. In fact, in terms of dollars it is estimated that it will require an additional $50 million a year. What disturbs us is that while this money may be found it might not be found in Canada, and we would hope that it could be obtained in our own country. It is particularly important that the Canadian independent companies be able to participate in the development of this important resource.

It is for this reason that I ask the house and the government to give consideration at the earliest possible date to amending the present depletion allowance. This is a very technical problem and I do not intend to go into detail. I merely remind the government of the urgency of the situation, the demands that are going to be made upon the industry, the necessity for developing capital in Canada, and the fact that we are going to have to give Canadians the opportunity to compete on the same basis as foreign companies. Therefore I suggest to the government that if we are going to meet future demands, if Canadians are going to have the opportunity to compete in the future, the best way we can do this is by amending our own taxation statutes, thus making available more Canadian capital and providing more incentive for the independent Canadian companies so they can compete on the same basis as their counterparts in the United States in the development of our own petroleum resources.

I have covered a variety of subjects, and I close by reminding our friends opposite that when we face a new session of parliament following an election, perhaps those in the opposition might look back and recall how they got themselves in the position in which they are today. I have referred to the Leader of the Opposition, who has shown considerable lack of courage in dealing with almost every subject. On the question of the sale of wheat to communist China he has two policies. He has two policies on the flag. He has two policies on national defence, and the best contribution he can make in attempting to obtain votes is to out-socialise the socialists by adding another $10 here or there to this or that pension, or by attempting to destroy the reputation of this country abroad. If he has any desire to obtain the position of prime minister of this country, I suggest to him that he had better take a lead from the present government and the present Prime Minister and recognize that forceful policies are those that are going to be accepted by the Canadian public as a whole, and that only by giving some indication that he has the qualities for leadership will he ever be accepted in this country.

I suggest, too, that when he welcomes back Canada's first man in space, the hon. member for Assiniboia (Mr. Argue), he will perhaps have completed his role of getting into bed with the socialists. I have noticed that many young Liberals throughout the country, including the group who met recently at Milford Bay, have suggested that the Liberals might join the New Democratic party. Of course as one professor, a former Liberal, has said many times, it is the inevitable end of the Liberal party to become absorbed eventually by the socialists of this country. Even I, Mr. Speaker, recognize the need for true Liberals to act as the opposition to any government, and I would not want to see them completely taken over by our socialist friends.

May I close as I began, by asking the Leader of the Opposition if he will not display a little more of that type of leadership which he gave at one time as secretary of state for external affairs, so that Canada will progress and will even exceed the expectations of those of us on this side. For him to sit back and take a purely negative role is not going to be helpful to anyone either inside or outside of Canada.

(Translation):

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): Mr. Deputy Speaker, I should like first of all to congratulate you most sincerely on your recent appointment to your present duties. Even though you have been occupying the chair for only a very short time, you have conducted our proceedings with dignity, fairness and efficiency.

Mr. Speaker, we are discussing at present the speech from the throne which was delivered at the opening of the fifth session of the twenty fourth parliament.

We have sat in this house for five sessions and will eventually have a general election.

It is our duty, as members of the opposition, to look carefully into the policies of the government which has ruled the country for the past five years.

Mr. Speaker, the hon. gentleman who now holds the finance portfolio (Mr. Fleming) made a tour of Canada to promise balanced budgets and he promised that there would be no more budget surpluses in Canada.

Well, he did not take long to keep his promise. He was barely in power before he changed the Liberal surpluses into Conservative deficits with the result that he has succeeded, for his part, to leave us with the largest deficits since confederation.

That, Mr. Speaker, is a far cry from the promises the Conservatives made right and left in Canada during the last election campaign.

The Conservative administration of the last five years has been a costly proposition, and it is true to say that this Conservative administration has cost more to Canada than the last world war.

The Prime Minister of Canada (Mr. Diefenbaker) also stated across the country that as long as he would be Prime Minister, no one would suffer from unemployment.

Well, Mr. Speaker, during the last four years, we have experienced the most alarming situation since the dark days of R. B. Bennett.

At the beginning of the session, the Leader of the Opposition (Mr. Pearson) delivered a very fine speech during this debate on the address in reply. He expressed regret and rightly so, over the fact that Canada is losing prestige among the nations of the world. And when we say these things, Mr. Speaker, when the Leader of the Opposition reads in the house extracts from newspapers which prove that Canada's loss of prestige is regretted throughout the world, our hon. friends opposite start to cry: "What a shame to discredit one's own country like that."

When we tell the Prime Minister that unemployment is continuing, when we tell him that the economic situation is bad, he answers that we are belittling our country.

This reminds me, Mr. Speaker, of somebody else just as famous as the present Prime Minister. I refer to the Hon. R. B. Bennett. He too, in 1935, when it was said in the house that there was unemployment in Canada, that Canada was suffering from a depression and economic insecurity had this to reply—if you listen carefully you will get the impression of hearing the present Prime Minister:

> Why depreciate this country's position among the nations of the world? Why try to make us believe that it suffers more than it really does, when people abroad who observe our conditions without prejudice find that we are progressing and, seeing what we are doing, say when speaking of Canada: "That country occupies the most enviable position in the universe today."
>
> [Mr. Dupuis.]

Well, Mr. Speaker, the Prime Minister today has the same reactions as Mr. R. B. Bennett yesterday, because he finds himself in the same position, and has to face the same conditions. Moreover, as in the case of the former Conservative prime minister, his only excuse is to say: "Our opponents want to smear this country's good name."

Mr. Speaker, is it the fault of the opposition if this government has been in a muddle all along the line for the last four years? Thus when I look across the aisle, I am reminded of the way the Prime Minister has been in the habit of shuffling those front benches in the last four years. Do you want a few instances, Mr. Speaker? Here are a few: at the opening of the 1958 session, the Secretary of State was appointed as minister of citizenship and immigration. The deputy speaker was appointed as secretary of state, and later on was called to the Senate—for reasons of ill health; it was the first time the Senate was being transformed into a nursing home. A little while later, that same person went for treatment to Jean Talon hospital. After a while, the minister of transport was appointed as Minister of Trade and Commerce, the former minister of trade and commerce moved to veterans' affairs, and his predecessor went for a stay in the Senate.

The then minister of agriculture, an egg, hog and poultry specialist, suddenly became Minister of National Defence. His predecessor had to abandon his portfolio on account of the criticism levelled at him, and he was appointed as lieutenant governor of British Columbia.

The minister of northern affairs lost his bearings and fell into agriculture.

Another deputy speaker was appointed as Associate Minister of National Defence, and since then he has become a specialist on communist affairs.

The minister of mines and technical surveys has become lieutenant governor of the province of Quebec.

The present Minister of Transport has occupied so many different benches and held so many portfolios that one is wondering where he is going to next. He started as solicitor general, then was appointed as secretary of state, and he is now Minister of Transport.

The leader of the New Brunswick Conservative party was in a sorry plight. He was called in and given a seat in the house, and he is now lost in the woods.

The situation remains the same and the burlesque show goes on.

In order to lend glamour to the last seats parade, the Prime Minister of this country thought it advisable to present a public show in the city of Quebec. There, with drums and trumpets, a lot of hullabaloo and a carefully planned publicity flavoured with all sorts of conjectures, we were told that this great statesman would be accompanied by his ministers who were coming to Quebec by plane, by jet, by sea and other means of transportation, as the hon. member for Dollard (Mr. Rouleau) so aptly put it yesterday. Once there, the most sensational announcement which the Prime Minister could make did not concern a shuffling of cabinet seats, because there had been so many changes before, but he said that the Secretary of State had been appointed president of the privy council and that all our people, and more particularly the people of Quebec, should rejoice. Everybody therefore looked eagerly forward to see what new importance the Secretary of State would have in the house.

Well, since his appointment as president of the privy council, we find that the Secretary of State is still as usual in his back seat, in the second row.

Mr. Speaker, the show the Prime Minister presented to our people and the world just proves that the utmost confusion prevails in the ranks of our opponents.

Did we not see the post of deputy speaker of the house become, somehow, a spring-board to a cabinet post. Three deputy speakers have used this spring-board to become ministers. Obviously, hon. members on the treasury benches are not exactly lacking in the ability to turn foolish somersaults.

Mr. Speaker, when opposition members state that there is confusion, uncertainty and depression, those on government benches tell us that we exaggerate and jeopardize this country's prestige.

Do you wish to have concrete proof that our hon. friends opposite are nervous and embarrassed?

Some hon. Members: Oh, oh.

Mr. Dupuis: I can hear the hon. member for Joliette-L'Assomption-Montcalm laugh. I was waiting for his first guffaw to tell him something.

Mr. Speaker, if you look up yesterday's *Hansard*, you will see that speeches in this house were made by members from the province of Quebec, among others, the hon. member for Montmagny-L'Islet (Mr. Fortin) spoke for all the time allotted to him, without being interrupted even once by the opposition, but things were different when opposition members rose to speak.

In fact, during the speech of the hon. member for Dollard, there were seven interruptions, including five on the part of the hon. member for Joliette-L'Assomption-Montcalm who apparently does not know how to behave in this house.

The hon. member for St. Denis (Mr. Denis) took the floor a little later and was interrupted 36 times during his speech, including 12 times by the ever-present member for Joliette-L'Assomption-Montcalm, eight times by the hon. member for Roberval (Mr. Tremblay) and seven times by the hon. member who, in a chance move, was appointed parliamentary secretary to the Prime Minister (Mr. Ricard).

Mr. Pigeon: You set the example for us, what else can you expect?

Mr. Dupuis: Well, Mr. Speaker, here is another intervention by the hon. member for Joliette-L'Assomption-Montcalm. He does not like to be taught a lesson. When we talk about the last four years, he always shouts: "Tell us about the two flags. Tell us about the 22 years of Liberal administration."

Well, Mr. Speaker, once and for all, I shall tell him about the two flags and the 22 years of Liberal administration, and I hope he will understand.

An hon. Member: He cannot understand anything.

Mr. Dupuis: The Liberal party has in its ranks people who have the strength of their convictions and the courage of their ideas. There are people in the Liberal party who, when they speak of a flag, state exactly what stand they will take concerning a flag after they take over, soon.

Since the hon. member for Joliette-L'Assomption-Montcalm wishes to speak about the flag, I shall tell him that the Leader of the Opposition has the courage to say that he will suggest for Canada an absolutely distinctive flag, but that we shall be able to use the other one as a symbol of our membership in the commonwealth, and I must draw also to the attention of the hon. member for Joliette-L'Assomption-Montcalm that our leader and the hon. member for Bonavista-Twillingate (Mr. Pickersgill) have the courage to express their views, but the Prime Minister, the leader of the hon. member who repeatedly interrupted me, did not utter a single word during the discussion on a bill concerning the adoption of a flag to indicate what stand he would take concerning a distinctive flag. Or I should rather say, Mr. Speaker, that he once had the courage to do so—

Mr. Pigeon: Things have changed—

The Address—Mr. Dupuis

Mr. Dupuis: Mr. Speaker, may I ask you to call the hon. member for Joliette-L'Assomption-Montcalm to order.

Mr. Pigeon: Things have changed in the past 20 years, you know that.

Mr. Dupuis: The hon. member had better listen because he has a lot to learn from the Liberals.

Mr. Pigeon: Oh no, not much.

Mr. Dupuis: Mr. Speaker, has the man who is now Prime Minister of Canada ever voiced his opinion about a flag? Yes, twice. He did so lately, before the Ontario association of Conservative women in an attempt to appeal to racial prejudices on the flag project. I need not go back over this, for all the newspapers have talked about it.

And before that, the last time he had expressed his views on the project of a flag was in 1945. This is what I find in *Hansard*—

Mr. Pigeon: Twenty years ago.

Mr. Dupuis: —on page 2089—

Mr. Pigeon: Twenty years ago.

Mr. Dupuis: On page 2089 of *Hansard* for November 13, 1945.

Mr. Pigeon: Twenty years ago.

Mr. Dupuis: You go back 22 years ago, so we can go back 20 years. This is what the present Prime Minister said at that time:

> I cannot see eye-to-eye—and my sentiments so carry me that I must be restrained when I say this—with those who would deny the union jack a permanent and prominent place on the flag of this country; and the place of honour on any flag is the upper corner.

And the Prime Minister added:

> Some say, why not compromise? I will compromise on anything, but, speaking for myself, not to the extent of the removal of the union jack from our national flag.

Mr. Speaker, I need not discuss the ideas put forward by the Prime Minister in 1945, but I should like to know what he thinks of the national flag, in 1962.

While our leader has expressed his stand concerning the flag—

Mr. Pigeon: Two flags.

Mr. Dupuis: The hon. member for Joliette-L'Assomption-Montcalm says "two flags". In the province of Quebec, under his friend, Mr. Duplessis, on particular commemoration days or great ceremonies, two flags were displayed: the lilied flag, unanimously adopted by the Quebec legislature, and the papal flag. The two flags used to float side by side.

[Mr. Pigeon.]

Mr. Speaker, Mr. Duplessis was then using two flags. Today, the hon. member for Joliette-L'Assomption-Montcalm, with his narrow-mindedness and his parliamentary pettiness, tries to ridicule a man who is worth a thousand times more than he is. Our leader—in case our friend from Joliette-L'Assomption-Montcalm does not know it—is a member of the Liberal party. If we go back 22 years ago, as the member for Joliette-L'Assomption-Montcalm wanted to a moment ago, I say before the house and before the country that the Liberal party, the party which, during the 22 years mentioned by my friend, has given all the social security measures to Canada, while after four years, our Conservative friends feel happy to see the Conservative Prime Minister agree to add a total of $19 to old age pensions.

Mr. Pigeon: Six dollars.

Mr. Dupuis: I am proud to say that while the Conservatives gave $19, we gave $46 and we passed the legislation on old age pensions.

We have nothing to learn from those people concerning Canadian sovereignty. The Liberal party alone is the one which, in 22 years, has built this country's sovereignty, autonomy and greatness.

When I refer to those who have guided our country's destiny, of those who have represented Canadian politics, I think of the one who, today, is the Leader of the Opposition. He is a man we respect, because he is great, because he has brought Canada into notice throughout the world.

Mr. Pigeon: Two flags.

Mr. Dupuis: Is the member for Joliette-L'Assomption-Montcalm completely mad? I have already asked him three times not to interrupt me. I am asking him a question, not asserting anything, but if he persists, that is what we will think.

Mr. Pigeon: On a question of privilege, Mr. Speaker. The member for St. Jean-Iberville-Napierville, in my opinion, is lacking in dignity in this house. He has just used a term which is surely not parliamentary. He might very well accuse his colleagues, he is just acting like a naughty child. He lacks education. I am not surprised to see him change ridings.

Mr. Dupuis: Mr. Speaker, with regard to the question of privilege, the member for Joliette-L'Assomption-Montcalm has just said I am acting like a naughty child. Indeed, out of the abundance of the heart the mouth

speaketh. Actually, the parliamentary secretary to the Prime Minister refers to spewing and the member for Joliette-L'Assomption-Montcalm to naughtiness. But I am not calling him a naughty child because I use parliamentary expressions.

Yesterday, he interrupted the member for St. Denis 12 times during his speech. If we count the times he has interrupted me until now, I think he is about to beat the record of interruptions in this house.

Mr. Pigeon: The hon. member for Laurier, 32 times.

Mr. Dupuis: I should like to remind the hon. member for Joliette-L'Assomption-Montcalm that in 22 years we introduced all the social security legislation, we passed all the legislation concerning the sovereignty of this country, we offered balanced budgets, and those were prosperous years for the people of our country. In the last four years, under a Conservative regime, we have known the greatest deficits and the most serious unemployment situation since confederation. We are now witnessing the most serious confusion since confederation.

When I think of the leaders who have presided over our country's destiny, I like to compare the Lauriers, Kings, St. Laurents, Pearsons and Guthries to the Tuppers, Brackens, Bordens, Bennetts, Manions, Meighens, Hansens, Drews and Diefenbakers.

Mr. Speaker, I am not afraid to tell my friends that when they are prepared to hold an election, we shall be ready to face them. We are ready to face those from the province of Quebec who are here so well represented by the hon. member for Joliette-L'Assomption-Montcalm, those who were promising that a Conservative government would give Canada an ambassador to the Vatican. Where is the ambassador to the Vatican?

Mr. Pigeon: Why don't you tell us something about the two flags?

Mr. Dupuis: Those who were promising the abolition of our contribution to the Colombo plan. What have they done about it? They have doubled its amount. Those who had promised to give Canada a distinctive national flag and who, now, are refusing to do so, a matter about which today their leader does not want to commit himself, but about which our own leader has made a formal promise in listing it, in the Liberal party platform.

Where are they today those who in 1958 promised us that "O Canada" would be adopted as our national anthem, that federal assistance to universities would be abolished, but who, instead, voted to increase such assistance when they had an opportunity to abolish it.

Where are those who promised us the deepening of the Richelieu to promote the economy in that area? During four years, they obstructed that project, while the hon. members for Richelieu-Vercheres (Mr. Cardin), for Laurier (Mr. Chevrier) and myself urged that a study of the deepening of the Richelieu be started as soon as possible in order to stimulate the economy of that area.

Mr. Speaker, are you aware that the Prime Minister has failed four times to keep his promise to visit the area? In fact, it is only after he was goaded and criticized, when he realized that his members would be defeated in our district if he did not agree to consider the deepening of the Richelieu river, that he decided to come back at the beginning of winter to stage a public show in the city of St. Jean.

Mr. Speaker, I will take a few seconds to tell you what happened. First of all, you may remember that I stated in the house that on September 21, 1959 the Prime Minister had promised to visit the Richelieu district but that he had just taken a short ferry tour in the vicinity of Sorel, after which he left in a convertible for the Gaspe peninsula.

Since then, he promised on three occasions that he would come to St. Jean. The last time he spoke about it, there was a lot of publicity; pamphlets were distributed from house to house, cars went through the streets with loudspeakers, pamphlets were handed out on the church steps, full pages of advertisement were printed in local newspapers and flash announcements were made on the radio.

The great man was supposed to come to St. Jean on December 12, 1961 to inform the local population of an important, a serious decision taken by his government. Well, believe it or not, Mr. Speaker, we were awaiting for the fourth time that long promised visit by the Prime Minister, but he did not come. Yet, on that day, December 12, 1961, during the evening, some Conservatives had gathered at the Paul Beaulieu school, in St. Jean; it was only a coincidence.

And all that time, those Conservatives gathered together were waiting for that statesman who did not come. But the telephone rang. The one who acted as master of ceremonies, the hon. member for—I forget his name, he so seldom makes any contribution to our debates—oh yes, the hon. member

for Chambly-Rouville (Mr. Johnson), informed the gathering that unfortunately the Prime Minister had been held up in Ottawa, at the airport, because of bad weather.

You know, Mr. Speaker, ever since morning the weather had been bad. It was cold and it was raining.

Then, all the airports had advised their passengers that no airplane would take off that day. But the premier of Quebec, who had appointments in Montreal, seeing that the planes could not take off, took a car to get to Montreal at half past twelve, the same day, whereas the Prime Minister of Canada, who is not aware of what goes on at the transport department, waited until five, or five-thirty, to get to the airport in Ottawa and there, accompanied by two of his dear ministers from Quebec, he learned that the plane could not take off and that unfortunately he could not get to St. Jean. Can you picture that, Mr. Speaker, three toads caught in the ice, unable to take off.

During that time, the Conservatives were waiting at the Paul Beaulieu school, where the Prime Minister called them from Ottawa, to tell them this:

> Thanks to the numerous representations made by the Conservative members in favour of the Richelieu seaway project, the present government has decided to entrust an international joint commission with the task of studying the possibility of implementing that project.

Yet, when the Prime Minister said: "thanks to the representations of the Conservative members", he was not telling the truth and he knew it. Those who have intervened in this house for the deepening of the Richelieu are the hon. members for Richelieu-Vercheres, Laurier and myself. If you refer to the official reports, Mr. Speaker, you will find that 35 interventions in favour of the deepening of the Richelieu were made by the opposition members for the constituencies I have just mentioned, while on the other side of the house, we heard the famous speech—burial or cold shower speech that the transport minister made in Montreal on December 7, 1960, before the chambers of commerce, who were calling for the deepening of the Richelieu.

Mr. Speaker, I will give the second part of my speech when we come back this afternoon.

(Text):

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Winch: Mr. Speaker, in view of the fact that there is such terrific interest in the United States astronaut who is now on his way back down to earth, could I ask for the unanimous consent of the house in requesting that all rules be suspended and the house recess for half an hour?

Some hon. Members: Hear, hear.

Mr. Deputy Speaker: If there is unanimous consent to the motion of the hon. member for Vancouver East the sitting may be suspended to resume at the call of the Chair. Agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Then I do now leave the chair.

SITTING SUSPENDED

At 2.40 p.m. the sitting of the house was suspended during pleasure.

SITTING RESUMED

The house resumed at 3 p.m.

(Translation):

Mr. Dupuis: Mr. Speaker, my first words will be words of appreciation to you, on behalf of this house, for having kindly adjourned proceedings for a few minutes, so that all hon. members gathered in the hall might watch the extraordinary feat just accomplished by that 40-year old hero of the U.S.A., Colonel John Glenn, Jr.

Colonel John Glenn, Jr., has just gained the right to the whole world's greatest admiration.

In every field the United States has great renown. This has now been confirmed in the scientific field. The United States could not lag behind. This scientific feat will considerably increase the confidence of the free world in our southern neighbours. I trust, Mr. Speaker, that their scientific achievement will serve peaceful aims, because we are well aware of the mentality of our neighbours, and we know that they will be able to improve that scientific development, for the sole welfare of all the peoples of the world and not for their destruction.

On behalf of all my colleagues and of all the members in this house, I tender to the President of the United States my most sincere congratulations. I can assure him that the name of the United States now shines brighter than ever on the international horizon.

Hon. Noel Dorion (Secretary of State): Mr. Speaker, for once I agree with the hon. member who has just resumed his seat and I

readily endorse his very eloquent remarks about the exploit achieved by Colonel John Glenn, Jr., and, through him, by the mighty American nation. That scientific achievement is sure to be epoch-making and I hope it will be a milestone on the road to world peace.

Mr. Speaker, the debate on the speech from the throne affords all parties in the house an opportunity, first to assess the government's record, second, to learn of the government's policy and of the legislation it proposes to put before the house, and finally—and this is just as important as the others—to allow the opposition or the parties of the opposition not only to criticize the government, but to state what policy they would follow if they were in power.

While in the course of my remarks, I shall do all I can to avoid touching upon points already so ably covered by my colleagues of the government and hon. members opposite, I shall try not to lose sight of this threefold objective.

As everyone knows, the riding of Bellechasse, which I represent in the house, is an exclusively rural constituency which is dependant on three main sources of income: dairy products, hog breeding and wood lots.

The Agricultural Stabilization Act, passed by this government, has been of great benefit to the Bellechasse constituency, as it has to all of eastern Canada. Formerly, under the previous regime, unstable prices had been a source of worry and disappointment. At times prices were quite high, at other times they were too low and, naturally, this had a substantial bearing on the farmer's income.

Because of these excessive fluctuations farmers could not plan their crops on the basis of the annual yield they and their families could rely on. This act was meant to put a stop to those price fluctuations and to ensure that the annual income would be more stable and predictable.

As everybody knows, its purpose was to provide, in the case of nine staple products, a price support of not less than 80 per cent of the average for the ten previous years. Among the nine staples covered by this act, are beef cattle, hogs, eggs, cheese and butter.

The act also provides for an optional support price on many other products such as processed milk.

The act was applied through various methods: direct purchases, deficiency payments, fixed payments to the producer and fixed prices guaranteed in advance for a year.

In view of the agricultural situation in eastern Canada, and especially in the constituency of Bellechasse, I shall dwell on only a few of the products, those of greatest importance to the farmers in my area.

For instance, the price of butter, which had been 56 cents a pound under the previous regime, was fixed at 64 cents.

Producers of whole milk, delivered for butter and cheese production, get a 25 cent subsidy on each hundred pounds, which helps farmers considerably. Incidentally I may say that for the year 1959-60, $10,951,000 have thus been paid out, including $4,731,000 in the province of Quebec. Besides, in the year 1960-61, the sum paid by the government reached $10,394,000, out of which $4,545,000 were paid in the province of Quebec.

As regards the portion received by the province of Quebec and the eastern provinces, under that act and various others passed by this government, if I had the time, I could give figures which might well change the views that my hon. friend from Laurier (Mr. Chevrier) was expressing the other day when commenting on the estimate he personally approved, as we did, in favour of western farmers, following the drought which prevailed in that area.

The other day, I attended the annual meeting of the Canadian Federation of Agriculture, and I realized that there are rather acute problems, with which the government, indeed, intends to deal as soon as possible.

There is, for instance, the butter surplus, stocks of which, if I am not mistaken, amount to about 200 million pounds.

What is the cause of this overproduction? It must be noted, first of all, that in the province of Quebec, the embargo which had been placed on margarine has been lifted, with the result that consumption on the Quebec domestic market has fallen off, while the consumption of margarine has gone up. That decrease in domestic consumption extends all over Canada. And here, I would point out that it is time doctors agreed with one another in their views.

There is at the present time a pernicious propaganda being conducted, which in my opinion is unfair to dairy products. According to that propaganda, it is increasingly held that dairy products absorbed in some quantity by the consumer are liable to induce certain disabilities, certain difficulties capable of endangering his health. Quite fortunately, another school of thought in the medical profession has made itself heard and is attempting to put a stop to those so-called theories which have been advanced only in recent years.

How can we solve that overproduction problem? Should we discourage the producer? I do not believe so, and here are the reasons why I am led to suspect the kind of propaganda that is being carried on throughout the country.

I repeat that the government, at the suggestion of the Canadian Federation of Agriculture, is seeking solutions which should soon be defined and implemented.

The idea of a food bank expressed by the Prime Minister of Canada (Mr. Diefenbaker) is making some headway. The United Nations Organization is considering such a thing. I am convinced that the establishment of such a food bank would facilitate the disposal of certain goods presently in storage.

In Switzerland, the same problem exists. And I should like here to quote the opinion expressed by Messrs. Shefrin and Manzies of the federal Department of Agriculture.

> It may be significant in this regard that a country like Switzerland should have found more appropriate to consider giving dairy products each year to underfed countries rather than proceeding to a difficult and costly readjustment of its agricultural industry through a decrease or increase in production.

Besides, those learned experts foresee at the same time that the total consumption of foodstuffs will increase by 70 per cent and that the sale of such goods will double in Canada during the next 20 years. A provident government should not be afraid of temporary difficulties when the future looks so brilliant.

Another problem which also interests eastern Canada, particularly the constituency of Bellechasse, is the hog breeding industry. Farmers are happy about the stabilization act under which the price of hogs was recently fixed at $23.65 per hundredweight up to a maximum of 100 head and under which a three dollar premium was added last year for class A. I wish to draw your attention to the fact that the average market price of hogs last year reached $27.50 per hundredweight.

An hon. Member: Why was it not stabilized at $23?

Mr. Dorion: Since my time is very limited, if the hon. member agrees, I shall answer his question at the end of my remarks.

Through that policy, it has been possible to reduce hog production without affecting 90 per cent of Canadian breeders. It prevented the accumulation of an ever increasing hog surplus. It clearly cuts the ground from under the feet of certain profiteers who were sabotaging the financial assistance legislation to farmers.

It has made possible the improvement of hog production to the extent that we are able to maintain our sales on the American market, even though the embargo was lifted last year and Canadian hogs sell at a higher price than American hogs. To show the value of this legislation, may I quote from a brief submitted to the cabinet on February 29, 1960, by the Canadian Federation of Agriculture.

> Our last annual and general meeting has again reaffirmed the general principles behind our price support policy. This policy takes into account the following principles: generally speaking, it is desirable to support the prices at the level of the market through direct purchase by the State; the support prices must not create cumbersome surpluses; confused situations must be avoided in agriculture, and we recognize the deficiency payments method which should be applied when the producers believe that this formula, or a combination of direct purchase and deficiency payments, is the best approach.

Finally, Mr. Speaker, I shall turn, as I always do, to the needs of the county which I represent in this house. There is a third point, which bears on the rehabilitation and development of rural areas and it is, I believe, another step towards the economic restoration of our Quebec farmers.

The percentage of farms having an annual production of less than $1,200 amounts to 28 per cent in the whole country. In Bellechasse, two thirds of the farms draw most of their income from the forest.

This legislation will surely help to improve the situation and brighten living conditions on our farms. In this legislation, I should like to quote the opinion of an expert, who was deputy minister of agriculture in Quebec and who is still employed by the provincial government, Mr. Albert Rioux. This is what he said as reported by *La voix nationale* in August 1961:

> It is with a view to boosting the economy of the underdeveloped rural areas that the federal parliament has just passed a legislation on rural development. This legislation provides for all projects capable of raising the standard of living

of farmers of a given area. It even provides for the industrial, touristic and educational developments which stimulate agricultural production. All sectors of the economy depend on one another, and agriculture benefits from all other economical activities. This legislation calls for the co-operation of provincial and local authorities. On this basis, it can be the starting point of an era of prosperity for the areas which have not yet benefited from industrial development.

Mr. Speaker, as I said earlier today, one of the aims of the debate on the address in reply to the speech from the throne is to allow the opposition not only to criticize—indeed I heard as recently as yesterday the hon. member for Laurier say on the air that the responsibility of the opposition did not only consist in negative criticism, but in the working out of its own policy, so that the public might have an idea of the risk it is running if it ever was inclined to change its government. Now, on this point, I heard some opposition speeches. More particularly, I listened to the Leader of the Opposition, and read his speeches which I had not heard. I admit that I faced there a most troubling lack of material, which proves a real lack of political thinking in the ranks of the opposition.

If that gap is to be filled, we should, so to speak, go back to the various conventions held by our Liberal friends where they were so lavish in their promises and in all sorts of very contradictory talk.

For instance, in a matter in which I am deeply interested, as, indeed is the government, free education was promised at all levels. Ten thousand university scholarships of a $1,000 each a year were offered for a four year period, according to need and merit.

In a party resolution, I read this:

The provinces have the responsibility to see to it that teaching in their primary schools is improved so as to fill the children's needs.

Therefore, from now on, under the rule of the gentlemen opposite, primary teaching would be taken out of their jurisdiction. Is it possible to carry further the non-observance of and disrespect for, the constitution of 1867, which, on that vital point, was precisely enacted to safeguard the co-existence of both the cultures of the two basic groups in our national community?

And I also read this:

Vocational courses and higher education in universities—

—and it is well known, in this respect, that the concept of a university varies according to the province, whether we think of Quebec or of any other province, because cultural methods differ.

Vocational courses and higher education in our universities cannot be the sole responsibility of the provinces... The federal government must share with the provinces the cost of higher education.

In other words, a partial but very significant sharing of the central authority with the provinces in educational matters, and, as I said before, in spite of the very clear and precise words of the 1867 act.

Indeed, to make us fully realize the effects of such a policy, may I quote what the hon. Mr. Garson said in this House of Commons on January 28, 1957. As a matter of fact, after having read an excerpt of the Rowell-Sirois report, saying that the provinces must control the education of our young people while they are at school, he made the following comment:

I would point out that if federal subsidies were large enough to be of any value to the provincial governments who would receive them, the federal treasury could not justify the distribution of such large sums of money to the provincial governments without assuming some responsibility as to the way they would be spent.

Could it ever be stated more clearly that this would mean the intrusion of the central government in the exercise of powers which are the exclusive and express responsibility of the provinces?

Mr. Chevrier: Mr. Speaker, would the hon. member allow a question?

Mr. Pigeon: No, no, sit down.

Mr. Dorion: I regret, but as my time is very short, I cannot do it now. When I finish my remarks, I will gladly answer your questions.

Mr. Chevrier: My question only concerns—

Mr. Speaker: Order, please.

Mr. Dorion: Have no fear, it is not unwillingness on my part, but I am afraid that what I have to say might exceed my time limit.

Well, Mr. Speaker, I say that Quebec, in particular, cannot accept this suggestion. On this point, I am content to use as my sole argument the conversation of the Hon. Mr. Lesage himself who, in this regard, follows the well-established tradition in the province of Quebec.

Does this mean that one of the principles behind confederation is transgressed when these provincial powers are touched? In this respect, may I quote the view expressed by the Minister of Finance (Mr. Fleming) in this house on July 18, 1959:

The province of Quebec has a point of view in regard to education which I think all hon. members of this committee have a duty to recognize.

It is patent that a different view altogether is taken of this subject in the province of Quebec from the view that is taken in the other provinces of Canada. Those who know the history of the province of Quebec understand the point of view of that province today and will know that Quebec regards this exclusive jurisdiction over education as something fundamental to the ethnic survival of that province and its people. This has been the view of the people of Quebec down through the years, that its jurisdiction over education is the sheet anchor of the survival of the culture, the language and the institutions of the province.

The minister then pledged solemnly to make all the necessary efforts in order to solve this difficulty arising from federal grants to universities.

Everybody is aware that thanks to the efforts which were made by the people of the province of Quebec, thanks to the goodwill and comprehension shown by our fellow-citizens of the other provinces, a formula has been worked out which safeguards the essential rights of the province of Quebec and of all the provinces in the field of education.

Mr. Speaker, I should also like to remind the house in this respect that the speech from the throne precisely contains the promise that this alternate formula, which has proved completely satisfactory to the province of Quebec, will be added in due time.

You will be asked to increase the federal grants to universities and make suitable provision in those cases where alternative arrangements are made for supplementary provincial grants in lieu of federal grants.

Moreover, it is known that the grants have been raised to $2.00 per capita for each province. Thus, the government of the province of Quebec will receive the additional sum of $2,500,000, while the exercise of its exclusive rights in the field of education will remain untouched and this excellent measure, contained in the pact of 1867, protected.

This is what prompted *La Presse*—obviously, all the credit had to be given to Mr. Lesage, as if we had nothing to do with this decision—to make the following comment in its January 27, 1962, issue:

From an exchange of correspondence—

The exchange is between the premier of Quebec and the Prime Minister of Canada.

—Quebec won its point inasmuch as at the request of Mr. Lesage, Ottawa agrees to an alternative solution in order not to force down the throat of the province federal grants which are unacceptable in the exclusively provincial field of education.

In other words, we who were particularly interested—I am speaking of interest in the noblest sense of the word—in seeing that that clause of the Union Act of 1867 remained intact had to wait for a Conservative government, for the present Prime Minister—who was smeared in the province of Quebec as anti-French Canadian—and his government to see the return of that right of which those provinces that wish to do so may well avail themselves.

Moreover, the party which held power for 22 years, just found out that Canada was a bi-ethnic and bi-cultural country and that we should preach and spread bilingualism at the federal administration level throughout the country. In this regard, we inherited a very heavy legacy, a legacy of stubborn silence and apathy if not of denial every time Ottawa was asked to give a practical illustration of the bilingual aspect of our country. We have had that practical illustration in the last four or five years, since a Conservative government took over. I shall give but a brief list because I do not want to be repetitious:

Introduction of simultaneous translation in the Senate and in the House of Commons; bilingual stationery and forms in several departments. And here I would urge the hon. member for Hull (Mr. Caron) to pay a visit to the printing bureau which comes under my department; he will see what goes on today and will be able to compare with what was going on under the Liberal administration.

Geographic maps and the Canada Atlas are now published in both languages. The *Canada Year Book* and that other important publication entitled *Canada 1961* were published for the first time last year simultaneously in both languages.

Signs on public buildings have become bilingual following a simple instruction by the Minister of Public Works (Mr. Walker).

Finally, the printing of bilingual cheques.

In this regard, it was said: too little and too late. Not at all. Neither too little nor too late.

In my opinion, Mr. Speaker, if anything may have an educational value, it is precisely that small piece of paper which from now on will indicate everywhere from Vancouver to Newfoundland, that in this country, there are two distinctive groups, two basic groups which form the Canadian community and which have the same rights and the same privileges and which must enjoy the same treatment.

Mr. Deputy Speaker: I am sorry to interrupt the minister, but his time has expired.

Mr. Chevrier: Would the minister allow me a question?

Mr. Deputy Speaker: Since the minister's time has expired, the unanimous consent of the house would be required before a question can be put to him.

Mr. Dorion: I shall make a deal with the hon. member opposite. If he allows me to continue, I shall answer his questions with pleasure.

Mr. Chevrier: Mr. Speaker, with the unanimous consent of this house, I should like to put a question.

Mr. Dorion: I thank the hon. member for Laurier.

Mr. Chevrier: I said that with the unanimous consent of the house, I should like to put a question.

Mr. Dorion: I first request the unanimous consent. If the hon. member for Laurier wishes to give that consent on behalf of his colleagues, I shall continue and then he may put his questions. It will be an exchange of courtesies.

Mr. Deputy Speaker: In the absence of unanimous consent, the minister may not continue and questions cannot be put to him.

Mr. Maurice Bourget (Levis): Mr. Speaker, before getting on with the remarks and congratulations I have to offer, I wish to take exception to a statement made by the hon. Secretary of State (Mr. Dorion), in which he said that the Liberal members from the province of Quebec had charged the present Prime Minister with being anti-French Canadian. Well, I want to remind the Secretary of State that the first people who charged the present Prime Minister with being anti-French Canadian were the delegates, the Conservative leaders of the province of Quebec at the convention held in this city of Ottawa in December 1956.

There is no doubt because they are now ashamed of their gestures, words and actions, at the time, that the Secretary of State—like many others—is trying to accuse the Quebec Liberals of exploiting the problems of language and race.

Well, Mr. Speaker, I have been a member of this house for 22 years, and I have gone through six elections in the province of Quebec, and I challenge the Secretary of State to prove to me, or to find a single case in which I could have accused the present Prime Minister of being anti-French Canadian or of being a Protestant or a freemason. I challenge him to claim the contrary.

Mr. Dorion: It is not to the member for Levis that I have attributed those words; he knows very well to whom they are addressed.

Mr. Bourget: Those are gratuitous words, like so many other things you do which are gratuitous.

Mr. Speaker: I would ask the hon. member to kindly address himself to the Chair.

Mr. Bourget: Very well, Mr. Speaker. I will close my remarks about the matter, because I would not like—

Mr. Pigeon: You are putting your foot in it.

Mr. Bourget: —to deal with questions of prejudice. On the government side, and especially the members from Quebec have been trying for some time to have us believe that the Liberal members are stirring up racial prejudice.

Mr. Pigeon: That is true.

Mr. Bourget: Well, I repeat, Mr. Speaker, because I know that on the government side, and particularly among Conservative members from the province of Quebec, they do not want to admit they were the first in this country to smear their own leader. And you cannot deny that; we have seen it on television and in newspapers, in December 1956. The member for Brome-Missisquoi (Mr. Grafftey) was probably present at the convention, when it was said that the present Prime Minister had disowned the French Canadians, because he had not accepted that a French Canadian support his nomination.

Mr. Pigeon: Mr. Mackenzie King did the same thing.

Mr. Dupuis: We did not say that.

Mr. Bourget: Mr. Speaker, allow me to congratulate you, first of all, on your appointment as Deputy Speaker of this house and to wish you, at the same time, much success in your new functions. I should like also, according to established practice, to congratulate the mover and seconder of the address.

I should like also to congratulate and extend my best wishes to all those who, on the government side, have obtained either a promotion or an extension of their term of office. I hope they will manage to fulfil their task with great wisdom, because they must realize now that their stay in their new posts will be of short duration.

As far as the Minister of Mines and Technical Surveys (Mr. Flynn) is con-

cerned—I regret he is not here at this time, I understand it is not his day of guard duty—I congratulate him in particular, but I take the liberty of giving him one piece of advice, that is, not to try to imitate the Minister of Finance (Mr. Fleming) who is known for his exaggeration.

I had the opportunity, very recently, to read in a newspaper a report of an interview that the minister had given, and during which he stated that the Conservative party could have elected, at the next federal election, more members than the 50 they now have in Ottawa. He claimed that the Liberal party myth had been broken in 1958.

I am sure, Mr. Speaker, that at the time, the Minister of Mines and Technical Surveys was not speaking in earnest but in jest, because he must realize now that the present Conservative bloc will completely disappear after the next election and that the accident which occurred in 1958 will not happen again.

I should like now to mention the masterful speech delivered by the Leader of the Opposition (Mr. Pearson) in this house on January 22 last, in which he showed, with supporting evidence, that the Conservative policy is a failure.

That speech caused the Prime Minister to lose his temper to such an extent that he forgot, at the outset of his remarks, to follow the long established tradition in this house, that is to congratulate the mover and the seconder of the address.

Like many others, I would have understood such a reaction if he had had an important and urgent statement to make, but far from it, all he did was to quote some selected extracts from a newspaper item.

It would be proper to point out that this article which, according to the Prime Minister, criticized the previous Liberal administration, stated also, as reported in an editorial published in the Ottawa *Citizen* of January 23, 1962, and entitled:

(Text):

The Prime Minister did not say that the same article had been even more critical of his regime and had included this sentence: "Instead of improving with the change of government, things got worse".

(Translation):

This oversight of the Prime Minister is, in my opinion, truly inexcusable; it clearly shows that our leader landed heavy blows from which the Prime Minister has not yet recovered.

Mr. Speaker, I am quite sure that this is the last session of this parliament and that a general election will soon take place.

Consequently, it came to my mind that it would be appropriate to review the Conservative government's administration during the last four years.

I will certainly not have enough time to examine all they did and all they failed to do during that period of time. That is why I shall limit myself to the three points which, I feel, are of major importance for the economy of our country.

First, I should like to speak of employment or perhaps I should say unemployment because unemployment has been prevailing during those four years of Conservative administration.

It is hard to forget the harsh words the members of the present government had for the former Liberal administration when they were sitting on this side of the house. At the time, they were claiming that there were too many unemployed in Canada.

We have not forgotten either the Prime Minister's vision of a Canada where there would be no unemployment under a Conservative government. His famous statement that as long as he would be Prime Minister, no one would suffer from unemployment in Canada, cannot be forgotten nor will it be forgotten especially during the next election campaign. According to him, the Conservatives had found the solution to the problem.

That was the refrain we heard during the 1957 and 1958 election campaigns. They painted a rosy vision for the benefit of the Canadian people but, after four years of Conservative regime, the public realizes that the colour of the vision has turned to a dark blue. Since the early thirties, never has unemployment been so serious in Canada.

To prove my point, I merely have to refer to statistics compiled by the d.b.s. and published by the Bank of Canada in December 1961.

If we compare the last four years of Liberal administration, that is from 1953 to 1956 inclusively, with the last four years of the present Conservative administration, or from 1958 to 1961, we see that the number of unemployed under the present government has been twice as high as under the Liberal government.

In fact, according to these figures, the number of unemployed under the Liberal administration was as follows:

Liberal Administration

Year	Unemployed	Percentage of labour force
1953	162,000	3
1954	250,000	4.6
1955	256,000	4.4
1956	177,000	3.4

Well, that was the situation under the Liberal administration.

Let us see now what happened since the Conservatives came into power, that is since 1958:

(Text):

An hon. Member: What month?

(Translation):

Mr. Bourget: Number of unemployed—

(Text):

An hon. Member: What month?

Mr. Bourget: That is the average for the year. If the hon. member wants to have this information I can pass him the book.

(Translation):

Mr. Tremblay: Tell us about Mr. Lesage.

Mr. Pigeon: The thunder has wrought havoc in Quebec.

Mr. Bourget: Mr. Speaker, I would have an answer to those interruptions, but I prefer to control myself.

Here are the figures relating to unemployment under the Conservative administration:

Conservative Administration

Year	Unemployed	Percentage of labour force
1958	432,000	7.1
1959	373,000	6.0
1960	448,000	7.0
1961	469,000	7.2

If you figure out the average for the last four years of each administration, you note that under the Liberals, from 1953 to 1956, the average was only 3.8 per cent, while it has gone up to 6.8 per cent under the Conservatives.

Mr. Tremblay: That is a misinterpretation of statistics.

Mr. Bourget: Mr. Speaker, if this is misinterpreting statistics, then I should tell the hon. member that these are statistics published by the Bank of Canada in December 1961.

Mr. Tremblay: Your interpretation cannot be accurate.

Mr. Bourget: Mr. Speaker, if I have misinterpreted these statistics, then the hon. member for Roberval, who does not know whether he is in Ottawa or elsewhere—for even we do not know where he stands at the moment—should complain to the Minister of Finance (Mr. Fleming), who is responsible for the Bank of Canada.

An hon. Member: Tell us about Mr. Lesage.

Mr. Bourget: Mr. Speaker, having been asked by government members to speak about Mr. Lesage, I will do so.

When your friends were in power in Quebec, what did you do about unemployment?

Mr. Valade: There was no unemployment.

Mr. Bourget: You did not even see fit to take part in the winter works program, you did nothing and you should be ashamed to claim now that Mr. Lesage is doing nothing, when Quebec is the province which is contributing the most, in the whole country, that is, 40 per cent. That you cannot deny.

An hon. Member: There was no unemployment at that time.

Mr. Bourget: Mr. Speaker, I wonder whether we could have a little bit of order in this house. I have no objection to answering questions from those who are interrupting me, because their questions are getting sillier all the time—

Mr. Deputy Speaker: Order. It would be fitting that those who are interrupting from their seats stop doing so. The debate could then take place in an orderly fashion.

Mr. Chevrier: Especially the interruption coming from behind the curtains.

Mr. Bourget: Mr. Speaker, that attitude of the government members from Quebec reminds me of the fact they always brag more in the house, where they are 208 strong, than in the province, when they try to explain the failure of their administration.

The supporters of the government can well claim that at the present time there are more people at work than there were during the previous years, and the contrary would be abnormal for an intelligent man, because the population increases and it is only normal that there should be more people at work.

However, what they cannot deny, is that the number of unemployed under the Conservative administration is almost double what it was under the Liberal government and nobody—I repeat nobody—can deny it.

Another fact that bears out my statement is that the unemployment insurance fund, in which there were more than $900 million when we went out of office, in 1957, is now on the verge of bankruptcy.

In fact, $25 millions are needed to replenish it. Is that not conclusive proof that the

present government has failed with regard to the employment problem?

What is more unfortunate is that during the first three years of the present Conservative administration, in spite of repeated requests from the opposition, labour unions, various public bodies who begged it to take the measures called for under the circumstances, the government kept on denying that the situation was abnormal. It was satisfied stupidly to contend that the situation was only transitory and that it would disappear with the snow.

Mr. Speaker, the situation will undoubtedly right itself, not with the disappearance of the snow, but rather with the disappearance of the Conservative government which has now been in power for four years.

I am sure nobody will dispute the fact that it is very difficult to find a way to solve a problem when one denies that it exists. It will have to be admitted—and saying this I am replying in part to the arguments of the Secretary of State (Mr. Dorion)—that the Liberal opposition was not content with criticizing, but in many instances offered suggestions which would surely have improved the situation had they been implemented.

The only action of the government, apart from housing construction, was to launch a winter works program under which it pays 50 percent of the labour costs. And we know that in the end that 50 percent represents a mere 15 percent of the total costs of the works, and that the major portion of the costs, the largest financial burden falls on the municipalities. It has also been realized that many municipalities do not have the necessary financial means to undertake the works without borrowing at a very high rate of interest.

It is, therefore, very easy to draw the conclusion that as far as employment is concerned, the Conservative administration failed and forgot the fine promises they made to the Canadian people in the election campaigns of 1957 and 1958.

Now, Mr. Speaker, the second matter I would like to raise deals with the tax agreements between the federal and provincial governments. You will see, Mr. Speaker, that in that realm the results have not been any better than in the case of unemployment.

During the two election campaigns of 1957 and 1958, the supporters of the Conservative government, under the leadership of the Prime Minister, launched an all-out attack against the St. Laurent administration, accusing it of pressuring the provinces and municipalities, and adding that everything had to be done over again in that field.

I believe it would be useless to recall the words of the Prime Minister and his candidates during both those campaigns, they are well known. They repeated over and over again that the government was rich, but that the provinces and municipalities were poor and could not meet their constitutional obligations.

The Prime Minister and his party had committed themselves to give provincial governments as well as municipalities the revenues they would need in order to perform their important duties and thus help them to develop their natural resources.

During the various federal-provincial conferences that have taken place since June 1957, the provincial premiers have reminded the head of the government of his promises, but without much success.

The concessions made were really inadequate and that is the reason why most provincial premiers showed their dissatisfaction of the offers made to them during the last conference in February 1961.

The present government seems to boast of having given back the provinces their taxation rights. It should know, however, that the provinces already have had those rights for a long time and that Quebec for one has made use of them for many years. What the government forgot, however, was to give them an adequate part of federal revenues, that would have permitted them to fulfil their obligations which become heavier and more urgent.

As a matter of fact, if we take, for instance, the province of Quebec, we realize that with the new formula, it will receive, during the five years covered by the agreement, only $2.5 million more.

According to the new formula, a federal abatement of 16 per cent on individual income tax is granted, and it will increase by 1 per cent per year to reach the maximum of 20 per cent at the end of 1967. On the other hand, the equalization payments being set up on a new basis, that is on the national average rather than on the average of the two richest provinces, will decrease considerably. What is given on the one hand by extending the taxation field on individual income, is taken back on the other by decreasing the equalization. As the premier of Quebec said following the conference held last February:

It would seem that the government in Ottawa has manoeuvred in such a way as to block the economic development of the province of Quebec.

Since the 1 per cent yield on personal income tax gives the province of Ontario about $9 million a year, it follows that in the next five years that province will collect $180 million more than if the present arrangements had been maintained.

Of course, we do not object to the province of Ontario getting an amount of $180 million. On the contrary, we are glad of it, but Mr. Frost must have been very disappointed, because relying on the Prime Minister's promise, he expected to get $100 million more every year, not in five years. What we find unfair, however, is that Ontario will be getting $180 million more over the next five years and that the province of Quebec will hardly be getting anything.

The situation would be very different under a Liberal administration, because we would restore equalization on the basis of the richest province, with the result that the province of Ontario would lose absolutely nothing and that the province of Quebec would be getting about $150 million more.

To the regime of inequality and fiscal unfairness the present government has established, we will substitute a regime of equity which will enable not only one province but all the Canadian provinces to carry out their constitutional responsibilities.

As for financial assistance to municipalities, we can say without hesitation that the government's record in that respect is no brighter than in the field of fiscal agreements with the provinces. We could even add that the municipalities have been entirely forgotten. We might state that they were asked to shoulder a heavy financial burden when they were called upon to pay 70 per cent and even more of the cost of the winter works program to alleviate unemployment.

In this respect as under the previous topic, it is fair to draw the conclusion that the Conservative government has failed to carry out its promises.

Now, I should like to say a few words about the financial situation in this country.

At a press conference he gave in Saskatoon on May 27, 1957, the Prime Minister stated that he could carry out his program, reduce unnecessary taxes and have a balanced budget. On that point, as on many others, the Canadian people have been deeply disappointed, because far from being reduced, taxes have gone up. Moreover, the government has shown a deficit every year and the total of those deficits, since 1957, comes up to more than $2 billion. Now, if you add the $900 million that came out of the unemployment insurance fund, you get a total of $3 billion.

Off-hand, one could think that such tremendous deficits were brought about by tax reductions but, as I said a while ago, taxes have gone up.

It is true that in December 1957, taxes had been reduced by approximately $204 million and by $35 million in the baby budget of December 1960, but those reductions are much less than the $352 million tax increase announced in the budget of April 1959.

To that increase of $352 million must be added an amount of $75 million representing the increase in the employees' contributions to the unemployment insurance fund. It can thus readily be seen that there has been no tax reduction but indeed an increase of $187 million.

Owing to that succession of enormous deficits, the per capita debt which was $670 at March 31, 1957, was up to $688 at March 31, 1961.

It would be in order to point out again the monumental blunder of this government when, in the fall of 1958, it made its famous conversion loan of $5,600 million. Some financial moguls were able to benefit by this loan, but many small investors lost from ten to fifteen dollars on each $100 bond they had to sell before maturity.

Furthermore, as I have already pointed out, that loan caused a very high increase in interest rates. Needless to say that the loan had disastrous consequences on the budgets of our municipalities and school boards.

Mr. Deputy Speaker: I regret to interrupt the hon. member, but his time has expired.

(Text):

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, if I failed to follow the remarks of the hon. member for Levis (Mr. Bourget) I hope he will not think I was not interested in the sincere and vigorous presentation that he made on this as on other occasions. It is not my desire either to increase repetition but I do wish to congratulate you, sir, on your elevation to the office of Deputy Speaker and I want to compliment you on the dignity and efficiency that you have already shown

in the chair. I also wish to congratulate the mover (Mr. Bourdages) and seconder (Mr. Browne, Vancouver-Kingsway) of the address in reply to the speech from the throne. They are a further indication of the capable young men who are in parliament and I think the present government is very fortunate indeed in having among its supporters more young men with more ability and natural talent than I have seen in any group or party since I entered parliament. This is not a reflection on the splendid young members of other parties. One of the real differences, of course, is that there are more of them in our party.

Recently I have been described as one of the old guard, and I did not resent this. In fact, I am somewhat flattered because from my experience I realize that any government is better to have an old guard than to trust to the complacencies of those who seem to be off guard or the wilder illusions of those who seem to have no guard at all. I realize that many changes have taken place. The years that I have been in this house have been filled with change and challenge. In fact, I do not believe there has been any other period in the history of human affairs that has been more interesting, more exciting and more challenging. Since we began our sitting this morning, Mr. Speaker, the astronaut, Colonel Glenn, in whose safety we were all interested with the result that the house uniquely adjourned for a few minutes until he had landed safely, has been around the world three times.

Having been so long and so closely identified with the affairs that concern the lives of our people, one could not help growing and maturing a little in these swiftly changing times. I believe we are facing very difficult times and, as I have said, they are challenging. I feel that I have more regard for those who sit to your left, Mr. Speaker, than do many others in the house because there are few in this parliament who sat to the left of the Speaker longer than I did. I have a keen regard for the Leader of the Opposition (Mr. Pearson). He is an exceedingly fine gentleman whom I have known for many years and I have a high personal regard for him, which increases my sympathy for him in view of the dismal uncertainties that he must see in his future.

I also have a keen regard for the few who sit to your immediate left, Mr. Speaker, in the left hand corner of the house. I am aspecially sympathetic to them today because yesterday I believe they lost their capable leader, the colourful and energetic member for Assiniboia (Mr. Argue). In my view he has made a very important decision. I know he will be missed very much by the small group he was leading on the other side of the house and I admire the British bulldog courage of the hon. member for Kootenay West (Mr. Herridge) in endeavouring to pick up and carry on the difficult task from where the hon. member for Assiniboia left off.

I am not surprised that the hon. member for Assiniboia sought this spectacular divorce in such a hurry but I am somewhat alarmed that he has chosen to marry the old, tired Liberal party. In fact, had he consulted me, which he did not, I could have introduced him to a much more attractive political lady. I realize, however, that all's well that ends well so far as he is concerned.

I must say, however, that there are much colder realities than these passing phases in political parties. In my opinion we are facing a very difficult period and I feel that the problems we have before us today are problems that to no small extent were created by the complacencies of the party that carried on the government in the 25 years prior to 1957. I know there would be a lot of criticism of any government, for uneasy lies the head that wears a crown. It is obvious to me that the complacency that prompted the former government to depend so much on the sale of raw products and pay so little attention to the promotion of secondary industry has cost our Canadian economy a very high price. The construction of sprawling factories and fancy bungalows seems to have prompted us to feel that no one else has done as well as we have. This is not true. In the last 25 years following the great war many of the leading industrial countries have had twice the industrial expansion that Canada has had.

It is true that we have sold our raw resources, the products with the least labour content in them. We took the money and we thought we were doing very well. There is always great national pride in any country. This careless trend, Mr. Speaker, has certainly been brought about by the extraordinary resources we had available for the countries of the world during the war and post-war periods. I know that this trend cannot be changed overnight. This situation did not develop during an election campaign. It is not going to be settled in any one term of office. It developed over several terms of office, but we have already conspicuous signs of improvement because we have the first favourable commodity trade balance that we have had in the last nine years. This is in bold contrast to the gigantic adverse balances we have had over many years, sometimes approaching a billion dollars. These unfavourable balances have contributed greatly to the international deficit position in which we are today, where we have fixed charges approaching a billion and a half dollars.

This serious situation can be improved, but when it was developing the former government had no positive trade policy. We drifted aimlessly, depending upon world capacity to buy us out of our future economic dangers. Instead of encouraging our secondary industries to produce more of our own requirements, we produced less. Between 1947 and 1957, our imports increased from 67 per cent, in relation to manufactured goods, to 78 per cent of our requirements. No other country in the world was buying so many of its manufactured requirements from outside the country. During the ten year period, we have seen one of the greatest industrial revolutions of all times. While the United Kingdom, Japan, West Germany and other countries, increased their industrial expansion at a much greater rate than we did—in fact, Japan increased it during those years almost three times as fast as Canada—our promising manufacturing industries and home markets were forgotten. While other important countries were encouraging industrial development by tax reliefs, accelerated depreciation, special allowances for research, bonuses, special freight rates, credit and guaranteed payments for exports, our secondary industries were left to grow up like Topsy. There was practically nothing done. As a result we bought in 1957 ten times more foreign manufactured goods per capita than any other country in the world. These are the facts that are disturbing, especially in a young country in view of the other problems that are associated with them.

In your native province of Ontario, Mr. Speaker, you have seen industrial development spread to western Canada. Industry is playing a much more important part than it ever has in the history of this dominion. However, we have lagged far behind, and as an example I cite our great textile plants. During the last ten years of the former administration, in this cold country where we use so many textiles, 80 plants closed down and 22,000 people lost their jobs. In so far as heavy industries, chemicals and electrical appliances are concerned, 50 per cent more of our requirements were imported during that period. This was the result of other countries encouraging their secondary industries which were able to export their surpluses. They were alive and alert to a situation.

During those golden years we smugly boasted of the degree of progress we had achieved, but we were really only receiving the fringe benefits of the industrial revolution occurring in many other countries during that period. We have had varying degrees of chronic unemployment and a growing need for social welfare benefits as well as the costly subsidization of agriculture. I know that it may be difficult for some of us to see any relationship between these dangerous trends. However, when you stop to think of the billions of dollars that these trends have cost us, I say to those who still cling to the idea that we must encourage the export of our raw products instead of secondary industries, that they should stop and take stock before it is too late. The continuation of such a trend has curtailed opportunities for our people as well as development of the home market for our increasing agricultural production. We must never forget that no country in the world's history has become great without a vigorous industrial growth. Without this we cannot maintain the necessary educational needs of our time, the employment of an increasing population and the obligations involved by the consequent need of social welfare.

Despite our keen national pride, Canada has not had the industrial advancement anticipated by our pioneer statesmen. When the late Right Hon. Sir Wilfrid Laurier and Sir John A. Macdonald forecast a country with twice our present population before this time, they did not expect us to follow the lopsided development we have pursued, depending so much on the forest, the sea and the mine. To depend on these primary industries for adequate employment is to stand against the developing process of innovation.

It is not good enough to try to apologize in a general way or to say that the difficulty of unemployment that has been chronic in varying degrees in Canada for the last number of years is due to automation. I ask those who cling to this doubtful excuse to review conditions in the heavily populated countries that have taken fuller advantage of the latest industrial revolution following the recent war. These countries have led the world in automation, and yet they have no unemployment. Many of them, in fact, are short of labour. Sweden, Japan and West Germany, countries that are leading in industrial expansion, countries that are leading in automation, are today short of labour. Automation does eliminate some old jobs but it certainly produces many new ones.

I am glad to observe that the present government has shown an industrial concept which was lacking in the former government. I want especially to compliment our capable Minister of Finance (Mr. Fleming) upon his efforts to assist a much needed industrial expansion. It is most unfortunate that his efforts to encourage miscellaneous manufacturing industries by broadening the application of the regulation to determine goods of a class or

kind made in Canada for customs purposes was thrown out by those in the other place. This was a serious setback to the economic program of the present government. However, the conversion that he accomplished—against terrific objection—of the Canadian dollar from a premium dollar to a discount dollar has done more to develop our favourable commodity trade balance and encourage industrial expansion than any single government measure in the last 25 years.

May I also compliment the energetic Minister of Trade and Commerce (Mr. Hees) whose untiring enterprise has given new life to our exporting industries. There has been a tremendous revival in industrial interest, stimulated by the present government all along the line. Trade missions and trade fair programs have been expanding. Export credit facilities have been provided and many advances have been made by our trade commissioners in search of trade.

The funds and the function of the industrial development bank have been extended and loans to small businesses have been made available in greater volume. The establishment of the national productivity council, the national design council and the domestic consumers service all indicate clearly that this government has a new and modern industrial concept. As the GATT agreements are dying a natural death in the face of the new common market challenge, it is most appropriate and important that our government has taken such steps in the interval to put our economic house in order. It is also in keeping with the traditional policies of the Conservative party that these economic crises should be met as they arise.

Had it not been for the sound fiscal policies of the Conservative party under the Right Hon. Sir John A. Macdonald—and this is an historic fact, Mr. Speaker—had it not been for the sound fiscal policies that gave birth to the industrial life of this country, Canada would have long since been annexed to the United States. She could not have stood alone, and so I warn our people that a revival of industrial expansion was never more needed than at the present time. Indeed, one can remember that the leading Liberal in Macdonald's time opposed that policy and ran one election on a platform of commercial union with the United States. I think they have changed a little bit since then.

Canada also faced one of the most critical economic challenges of our history in 1930, and it was the government of the Right Hon. R. B. Bennett that secured the British preferences for Canada in 1932. In view of the great depression of those years the benefits of the imperial trade agreements were more or less overshadowed. They were discounted, they were lost sight of, but today they stand out conspicuously in history as one of the greatest achievements in all the long term of our relationships with Britain. That I believe is admitted now, but there are those of us who can remember that the colleagues of members on the opposition side opposed them. I was a member of the house at that time and I can well remember when every Liberal opposed them, except the former minister of agriculture, the late Mr. Motherwell.

However, since that time the Liberal party used those preferences for bargaining purposes, sacrificing some of them in 1938 in order to make a favourable trade agreement with the United States. Later, after lowering tariffs to the lowest point they ever reached in 80 years—just before GATT came into being—they had nothing left for trade bargaining but the imperial agreements. Even at that I have always been doubtful whether that agreement did Canada any good. It was a kind of sacred cow so far as economics are concerned; and now, Mr. Speaker, it is lost in the shuffle.

Thirty years later it is very amusing to find the Liberals very fearful of losing what is left in the British trade preferences. It must now be obvious to all that with fewer and fewer people producing more and more primary products, the only hope for an increasing population to find jobs and for an increasing agriculture to find markets is by the increased and rapid expansion which is possible in our secondary industry.

I regret that the hackneyed phrase "We must buy finished products from a country if we are going to sell our primary products to that country" has been accepted so generally. That is not true. As an example to the contrary, for many years the United States has been our best customer and yet she sold to Canada hundreds of millions of dollars worth of goods more every year during the past century than we bought from her. In the same years the United Kingdom bought many millions of dollars worth of goods more than she sold to us, and yet she remains our best overseas market.

We cannot hope to consume all the coffee, sugar, bananas and raw cotton which Latin America might wish us to buy in order that Latin America would be able to pay for the machinery and chemicals we have to sell. We do not need its copper, timber and wheat, but some other countries do need them.

In view of our years of international trading experience it is a strange concept now that we must balance our trade with Japan, while for 50 years we have had many times

the differences in trade balances with both the United States and the United Kingdom. Never in my experience have I read of a United States congressman pleading with the people of the United States to buy more from Canada, even in the years when we were buying over $700 million a year more from the United States than we were selling to the United States. Indeed, there were very few in this house who, during the past 50 years, expressed concern about the United Kingdom buying so much more every year from us than we did from her. Surely it is no more vital that we should balance our trade with Japan than with the United Kingdom? However, the economic challenges that are now on the horizon promise to be equally important as those we met in older days by older methods. Never in our economic history was it more important to increase our secondary industry expansion if we are to compete with the common market countries. However, we pray we may develop peace and better will among the nations of this new and smaller world. If so, we shall then be faced with a more exacting challenge if, at the same time, we are to gain disarmament and avoid economic depression.

Let us be ready when the objectives of our present Secretary of State for External Affairs (Mr. Green) are achieved. He is working hard towards that end and, when that time comes, I hope our improved standards of living will require enough new tools and gadgets to replace the employment now used in building atomic bombs and battleships. I urge the government—and I say this with all sincerity although I know I may be on ticklish ground in doing so—to give serious consideration in the near future to the establishment of a government department of industry to act in co-ordination with the respective departments of industrial development in the provinces. I feel this is of paramount importance, to co-ordinate all the efforts. I have referred to many of the efforts the government is making. I compliment the government for the steps it has taken, for the new concept that it has demonstrated, but I urge the government that the time is rather overdue when we should have a department of industry to accelerate the development that is so vital for our future.

As one whose interests are chiefly farming, and representing a rural district, I have no hesitation in forecasting that such a department of industry can be as important to our general Canadian economy during the next 25 years as the Department of Agriculture was in the past 25 years.

Mr. Speaker: I am sorry—

Some hon. Members: Go ahead.

Mr. Habel: As dean of the house.

Mr. Speaker: Then, will the hon. member continue?

Mr. Rowe: The challenge to make such a theory an economic reality can be met by a new, enlivened spirit of co-operation. The old time sectional differences and class distinctions that tempted politicians to play on such ill-founded prejudices must be replaced by a new outlook. The west and the east, agriculture and industry, capital and labour must be more united and complementary to each other in this broadening concept of our future greatness. The vastness and variety of our resources can provide for increasing exports to the markets of older countries. Our high standard of living and increasing population can create a home market of unprecedented volume for our manufactured products as well as the greatest hope for our agricultural output.

I compliment the government upon the advanced steps they have already taken in this new concept regarding industrial expansion. Upon this approach depends new opportunities for the genius and enterprise that will develop a more balanced economic future so vital to all classes of our national society.

I hope that in the future we will have a more balanced development than we have had in the past. I am not going to lay all the blame on those who were in power for so long, but in all fairness I have to lay a lot of the blame on them. I say again that the present government cannot be expected to correct in one term of office the situation which has developed from such complacency. I hope that when this government is returned to office they will establish a new department of industry and give industry its proper place with agriculture in this country.

Mr. Herridge: Mr. Speaker, would the hon. gentleman permit a question that springs from his very interesting speech? In urging the government to establish a department of industry, is the hon. member suggesting that this department should plan the development and the direction of investment? Is he advocating some measure of planning?

Mr. Rowe: No, I had not thought of taking over the investments yet. I thought I would be interfering with the policies of some other party if I did that.

Mr. L. D. Crestohl (Cartier): Mr. Speaker, I should like at the very outset to join my colleagues in congratulating the mover and the seconder of the motion for the address to His Excellency. Of course, it is always refreshing to hear the hon. member for Dufferin-Simcoe (Mr. Rowe), who has such a

tremendous knowledge of the legends and background of this house. It was interesting to hear him trot out again the shadows which proclaimed the old difference between the two major parties, protectionism against free trade. Whether in an indirect fashion he was promoting the old policies of protectionism and trying to change them somehow to meet modern times, I do not know. But it is always delightful and certainly informative to hear the hon. member address this house.

I should like to point out that the throne speech is, of course, the opportunity for the house not only to discuss the future plans of the government but also to review its past performances. Unfortunately, during the time allotted to a private member in this debate he can only refer briefly to some of the government's activities, but in a general way one cannot avoid taking an over-all view of the situation within the time allotted to an hon. member.

I think that, notwithstanding what the government has been saying, the reputation and the image of Canada has slipped during the past four years since this government took office.

Mr. Pallett: Nonsense.

Mr. Crestohl: It may not be true in the opinion of some, and that opinion may be respected by others, but one should also expect that the opinion of those on this side of the chamber may also be based on reason and justification when making that statement.

I will try to illustrate some of the reasons which bring objective thinkers to a conclusion, after analysing the facts, that such may be the case. We may not want to admit it; it may be uncomfortable for some of us to admit it, but let us be objective and look at the facts.

It is true that before this government took office Canada was universally considered—not by the members of this house only, but universally—to be at the peak both internationally and domestically. Our country's advice was constantly sought. Our assistance as a mediator in international disputes was frequently invited. Those are facts. Our diplomats have helped to prevent many serious armed conflicts in various parts of the world. That, too, is a fact.

An hon. Member: Remember Suez.

Mr. Crestohl: I am not saying that it was a universal panacea, but the fact remains that my statement is factual. Our country has been invited to intercede and intervene, and did prevent many armed conflicts in various parts of the world. All this was possible because our country enjoyed the highest respect and esteem at every level. During those years we had a record of accomplishment, a record of achievement, and the record speaks for itself.

However, unfortunately this is not the position today. We now have a record of failure for the few things that have been attempted by the government since 1957. Let us look at some of them. Look at the fisheries treaty, for example, about which there was much talk by the government. That turned out to be a fizzle, a complete failure. There was an attempt, nobody will gainsay that, but it did not succeed.

Then let us look at the question of disarmament about which there was even more talk by the government. The discussions on disarmament also ended without success. The success that was hoped for was not forthcoming, unfortunately. Next I refer to the trade talks and the shifting of the 15 per cent imports to Great Britain, in which there was no achievement and only talk. This also resulted in complete failure.

My leader, in his forthright and effective address in this debate, quoted a statement made by a Tory member, Mr. Nigel Birch, in the British house of commons. That statement is so effective that it merits repetition and I will read what Mr. Birch said:

> Look what happens when Mr. Diefenbaker became Prime Minister of Canada. He wanted to increase imports by 15 per cent. We were delighted. We offered him anything up to a full customs union. What happened? Nothing—

That is the quotation by a member of the British house. In addition, our relationship with the United States is strained by a number of incidents. Notably among them is the performance of the government in connection with the Columbia river power project. Then there is the inconsistency of our position with respect to the European common market, and the very recent difficulties resulting from our policy toward Cuba, which is vigorously objected to by our neighbours.

Our relationship with the United Kingdom is deplorable, notwithstanding the denial of the Minister of Finance (Mr. Fleming) the other day. These are only a few references on the international scene to indicate the change of Canada's image since 1957. But there are many more. We have been losing stature; we have been losing face, whether or not we like to admit it. I say this is very sad and very depressing. I admit it is unfortunate, but it is a fact. We have been losing face and stature in the entire world. It is a very good thing, especially in an election year, to do some stocktaking and soul searching, and Canadians are no doubt making comparisons, comparing what Canada was like before 1957 with what Canada has been like since 1957. Every Canadian has a right

to do that, and every Canadian will, no doubt, in his own way and by his own means try to draw conclusions from this comparison. Similarly this is the proper place and the proper time for members of the House of Commons to make this examination and do some soul searching. Let us see what such an examination would produce. Let us recall, for the purpose of comparison, a few of Canada's achievements during the 10 years before 1957—achievements which made every Canadian swell with pride. I once referred to that period as Canada's golden era of international diplomacy. Some of the highlights deserve repetition. In the first place, Mr. Louis St. Laurent fathered the North Atlantic Treaty Organization. In the second place this country was honoured by the election of a Canadian as president of the United Nations. Third, it was the courageous work of Canadian diplomacy which led to the creation of Israel as a sovereign state.

A Canadian was responsible for setting up a military force to maintain peace in the middle east and a Canadian diplomat was named its first commanding officer. Next, Canada was elected one of the three nations to supervise the truce in Indochina. Canada was also invited to help supervise the teams set up in Laos, Cambodia and Viet Nam. Then, again, it was on Canada's initiative that the admission was secured of 16 new countries to the United Nations, a performance which won the commendation of the entire world both east and west. Then there was the epic journey of a Canadian minister in the face of communist danger to liberate thousands of Hungarians and bring them to Canada where they are settled happily as good Canadians. There are many more such creditable achievements which I could mention, but the crowning glory for Canadian diplomacy was the award of the Nobel peace prize to a Canadian diplomat.

All these things made Canada very proud and elevated our prestige in the world to the loftiest level of respect and confidence. These are only some of the things which created an image of Canada that was respected and acknowledged throughout the world, whether members and supporters of the present government wish to admit it or not. Until 1957, these achievements, and others like them too numerous to mention, created in the eyes of human beings everywhere a splendid image of what Canada is like. People thought of Canada as really being one of the most wonderful countries in the world. It is no wonder people were anxious to come to Canada; they had heard these wonderful things about Canada.

When we examine these facts objectively, I say: which of the present government's accomplishments is comparable to any one of those I have mentioned? I do not know of one, nor, I think, does anybody else. The best the Minister of Finance (Mr. Fleming), was able to point to was the speech delivered by the Prime Minister (Mr. Diefenbaker) at the United Nations. It was a splendid speech, a splendid oration. I will admit that, and I think everyone will admit it. But what did it accomplish for the world or for Canada? Unfortunately, it accomplished nothing. It was just talk by the Prime Minister—important talk if you will, able talk, if you like, but nothing more. The Minister of Finance, still searching vainly for some accomplishment, also referred to the speech made on disarmament by the Secretary of State for External Affairs (Mr. Green). This speech, again, was a valiant effort, a splendid speech. But again I ask: what did it accomplish?

Mr. Browne (St. John's West): What did you accomplish in the field of disarmament?

Mr. Crestohl: I am putting before the house an affirmative record. I challenge hon. members opposite to show me a similar affirmative record. But I will deal with that question. What did we accomplish in the field of disarmament? We maintained the peace throughout the world where there were trouble spots. Our diplomats went out there at the risk of their lives and prevented these trouble spots developing into conflagrations. The speech made by the Secretary of State for External Affairs was very accomplished and very sincere, but unfortunately it accomplished nothing.

An hon. Member: Boloney.

Mr. Crestohl: The hon. member may describe the accomplishments of his government in those terms. It is not my description. The speech accomplished nothing and that is as far as I will go. I regret its failure. It is unfortunate. I wish the hon. gentleman had succeeded. We shall come in a moment to the reasons why no success has been achieved. I say it is possible that we lacked the necessary world confidence and prestige to command the accomplishments for which we had hoped.

This government has now had four years of office. Let us compare briefly the two records. One is a story of achievement. I have just shown that there was 10 years replete with real achievement in the world of international affairs. What does the other record show? Unfortunately it shows nothing in the way of accomplishment. It has just produced talk. From what I have said, hon. members will see that some of us have the right to

draw the conclusion that the image of Canada has changed and that our stature has declined. We say that these facts should be placed before the house and the country in order that they may judge. It is true the government attempts to hide these two records. It especially attempts to conceal the statements made by the opposition—

Some hon. Members: Oh, oh.

Mr. Crestohl: If hon. members opposite are disturbed by what I am saying, I do not blame them. If I were sitting in their place I would also be disturbed.

The government attempts to hide the former government's record by the unbecoming observation that looking at these facts frankly is smearing the good name of Canada.

In my judgment the plaintive observation of the Secretary of State for External Affairs that we belittle ourselves when we talk of them is a weak defensive position for the government to take. If looking at the true facts makes us feel small, that is unfortunate; but that is the government's fault, not ours. The people of this country should be told the truth. The government should not attempt to sweep the truth under the carpet as it would prefer to do.

Other ministers have also made observations which have assisted in deteriorating the lofty status Canada built up until 1957.

The Minister of Finance did not enhance the image of Canada by his regrettable handling of our financial policy and the unseemly mess of the Coyne affair. Canadians travelling abroad in the past year often had to answer questions about what was happening in Canada, what action the Canadian government was taking that seemed to be changing Canada. Canadians have always been welcome everywhere in the world as representatives of a country which managed its affairs at home well and did its full international duty in an objective and unselfish way. Again I repeat that unfortunately things have changed.

An hon. Member: For the better.

Mr. Crestohl: That is only a matter of opinion. I may respect the hon. member's opinion and certainly he should attempt to respect the opinions of others.

The choice of language of the Minister of Finance has brought our country little credit. He has built up a reputation for having at his command a choice collection of vituperative words which he musters to his defence when he lacks facts, truth or logic. This is most unbecoming on the part of one of Her Majesty's ministers and brings no credit to the minister or Canada. It shows a lack of appropriate self-control and judicious restraint unbecoming to a minister of the crown. Let me illustrate this by reading from an item published in a newspaper friendly to the Conservative party. On November 30, 1961 the Montreal *Gazette* quoted the universally respected Manchester *Guardian* as follows:

> If Mr. Fleming feels that phrases such as 'complete fabrication' and 'false in its entirety' can properly be used of our commonwealth correspondent's report, he should think again.
>
> We have good reason to believe that our commonwealth correspondent's report was correct. He stands by the whole of his report.

I admire and respect the ability of the minister but I point out to him that the language he uses so lightly often goes abroad and has the effect of lowering the status of Canada in the eyes of the world. A minister of the crown should be more discriminating in his choice of language whether in this house or outside of it, nor should the minister attempt to hide behind the smokescreen of saying he was misquoted.

Nor was much prestige added to our country's standing by the cavalier statement of the Minister of Trade and Commerce (Mr. Hees) when he referred to Castro Cubans as being wonderful customers. The minister, of course, was quick to recant his assessment and attempted to laugh off his thoughtless remark by facetiously saying, like the late mayor of New York, Mr. LaGuardia, "when I make a mistake, it's a beaut". The statement made by the minister certainly did not endear Canada to its southern neighbours.

Canada's position was certainly not elevated by the present Minister of Veterans Affairs (Mr. Churchill) when he visited Russia in his former capacity as minister of trade and commerce. What he later explained as a joke turned out to be a tragic reflection on our country in the eyes of the entire western world. Ministers of the crown should not joke lightly especially when they are abroad and attempt to hide behind jokes of that kind. The minister is reputed to have stated that under the trade agreement with Russia Canada would also sell to that country, of all things, uranium.

Mr. Churchill: Mr. Speaker, I rise on a question of privilege. The hon. gentleman has accused me of making a joke when I visited Russia on a trade mission. I explained in the house what happened. I thought my explanation had been accepted by hon. gentlemen opposite. A planted story was foisted upon me by a foreign correspondent who had no connection whatever with Canada. He was the one who treated the matter as a joke. The hon. gentleman is now accusing me of doing

a disservice to Canada. The observation in question was made by a foreign correspondent. He is responsible for that disservice, as I explained when I made my statement to the house. I would ask the hon. member to immediately withdraw this statement.

Mr. Crestohl: Mr. Speaker, I was in the house when the minister made his statement. There was a series of them which—

Some hon. Members: Withdraw.

Mr. Crestohl: Hon. gentlemen opposite are impatient to have me withdraw. I point out that I have a right to finish what I am saying before I withdraw, if indeed I come to the conclusion that I should withdraw.

The minister at that time made the statement that the remark with respect to the sale of uranium to Russia was a joke—

Mr. Churchill: I said no such thing, Mr. Speaker. Again I rise on a question of privilege. The hon. member is accusing me of things I did not say and he must withdraw.

Mr. Crestohl: Just a moment. If I have done the minister an injustice I will withdraw readily and promptly. If in saying the minister joked about the matter I am doing the hon. gentleman an injustice I will certainly withdraw. I was under the impression, as I believe many hon. members of this house were, in good faith, that in referring to the exchange between himself and the reporter the minister said, as I understood him, that the offer to sell uranium to Russia was meant as a joke. I did not see anything offensive in that. I believe that was the language that was used. All the newspapers reported it. I believe words to that effect will be found in *Hansard*. However, if the minister says he did not make the statement, that it was a joke, I will be pleased to withdraw. If the minister will now tell the house that is not what he said at that time I will withdraw.

Mr. Churchill: Mr. Speaker, in addition, I made no offer whatever to sell uranium to Russia. What greater nonsense than that could the hon. member speak?

Mr. Grafftey: You do not know the hon. member.

Mr. Churchill: I said nothing of the sort, Mr. Speaker.

Mr. Crestohl: If the minister says he did not offer to sell uranium to Russia I will accept his statement. I am referring to the fact that he was reported to have said that a similar statement was made only as a joke. If no statement was made by the minister to the effect that this was a joke I will certainly withdraw.

An hon. Member: Another misquotation.

Mr. Churchill: Mr. Speaker, we have another interjection about misquotation. There was no misquotation. I tell you that it was a planted story dreamed up by a foreign correspondent in Moscow and based on no evidence whatsoever. There was no offer whatsoever by me to sell uranium to Russia at any time.

Mr. Crestohl: Did the minister make any reference to its having been a joke, because if it was thought to be so—

Mr. Speaker: Order. I think the minister has stated from his place that he did not make an offer to sell uranium either seriously or as a joke. I take it that the hon. member who has the floor is quite prepared, as he should be, to accept the minister's statement in that respect, and therefore I think we might proceed.

Mr. Crestohl: If that is the case, Mr. Speaker, I shall certainly withdraw it.

Mr. MacEwan: Turn the page. Who wrote it?

Mr. Crestohl: Who writes your speeches?

Mr. MacEwan: I write my own.

Mr. Crestohl: How do you know I do not write mine?

Mr. Speaker: Order. The hon. member has a limited time and if he is allowed to proceed it will be in accordance with the practice.

Mr. Crestohl: I was discussing how Canada has not maintained the lofty position that it held before 1957. I say that if the cabinet ministers and members on the government side of the house are prepared to dig their heads deep into the sand, like ostriches, they can do so but it is the duty of the opposition to tell the country the true facts, and that is what we are doing and intend to continue to do. We do not have to rely on misquotations. I do not know of any other government with such a record of accusing newspapers of misquoting and misunderstanding them. I have a raft of misquotations here that ministers have sought to use as excuses on the floor of the house. Of course people are misquoted. People can make mistakes but it is hard to understand such an overwhelming number of misquotations and mistakes. The clearest illustration we have was that provided by the Associate Minister of National Defence (Mr. Sevigny) in the house in the last few days. He could have been misquoted but I say that so many apologetic statements do not do the government or the country much good.

Mr. Speaker: I am sorry to interrupt the hon. member but I see that his time has expired.

Mr. W. F. Matthews (Nanaimo): Mr. Speaker, my first words must be to congratulate the mover (Mr. Bourdages) and seconder (Mr. Browne, Vancouver-Kingsway) of the address in reply to the speech from the throne. I also extend my congratulations to the new Minister of Mines and Technical Surveys (Mr. Flynn) who will, we all know, do a fine job in his new position. We were all delighted with the selection of the new Deputy Speaker. The house is indeed fortunate to have a man of his standing and ability filling this important office.

Before I go any further, Mr. Speaker, may I say that I was somewhat riled by the remarks just made by the hon. member for Cartier (Mr. Crestohl) and I just have to get it out of my system before I continue. The hon. member made the statement that the speech made by the Prime Minister (Mr. Diefenbaker) at the United Nations brought no results. I take exception to that. The hon. member is wrong as always because the Prime Minister certainly did a wonderful job not only for Canada but for the world when he made that speech at the United Nations. The Prime Minister renewed the faith of many people not only in Canada but in other countries.

I happen to know of one man in my constituency who was a Liberal candidate in 1953. He thought so much of the Prime Minister's speech that he sent him a telegram congratulating him on it. I have not seen the telegram but I was told that this man sent it and I am sure it is on the Prime Minister's files. Yet the hon. member for Cartier gets up and says that there were no results from this speech. The man who told me about this matter is very highly respected. I like to have respect for people but when they get out of line for political reasons and make statements such as that made by the hon. member a few minutes ago it riles me, and I must take exception to them.

During the short speech that I intend to make I am going to speak mostly about my constituency whose name I am seeking to have changed to Nanaimo-Cowichan-The Islands. The reason I am doing so arises from the fact that economic conditions there are good and getting better. I know that there are many other parts of Canada where the same conditions prevail. According to leading economists of the country things will improve as the months go by and 1962 will be a banner year. This improvement is largely because of the sensible attitude of many Canadians who have made up their minds that they will not listen to the pessimistic and gloomy reports that have done so much harm to business, and who approve of the action that the government has taken to improve our economy.

Last week I was talking to a man who represents a large manufacturing firm in Canada. This gentleman calls on many retail outlets in Ontario. He told me that last year many merchants informed him that because of the cries of doom and depression many Canadians were cutting down on their buying. He said that many people told him that they were putting their money in the bank rather than buying many of the things they would like to own. This man went on to say that toward the latter part of the year customers had decided that these false cries of depression were not good for Canada. As this thought spread over the province, business gradually started to improve, Christmas buying was stepped up, and he now claims that Canada will have a very good year.

Why is there this cry of hard times, Mr. Speaker? What do these people who gloat over their gloomy predictions hope to gain by them? We are all supposed to be working and building Canada. If I had a man working for me who came to work with a sick and gloomy look on his face and spent the day whining and complaining, I would tell him to go and see a doctor and to come back to work when he was in a better frame of mind. What good is a gloomy pessimist in any business? What good to a city, a province or a nation is a gloomy pessimist who is always finding fault? There may be a place for these people but certainly it is not in business or in any position that is important to the people of Canada.

In every country there are sick people. Some have had accidents that have disabled them so that they cannot work. We have many people with no special trade. Many become discouraged and are not able to face the hard facts of life. All these people need encouragement and help, not a constant stream of gloomy predictions.

We hear grown men in mournful numbers say that people are hungry and have nothing on which to live. If there are people who are starving and hungry, these men who are talking about it should do something more than just talk. I have heard no word that these great friends of the needy, these great fighters for the poor and underprivileged, are doing anything to help them.

Canadians should analyse these men who are downgrading this great country. Check the lives of these men; find out if they ever did any thing to help our fellow men; find out if they ever did any work themselves; find out

if they ever made a real contribution to mankind. I was advised as a boy never to listen to a pessimist. Unfortunately I have had to do so in this house although I admit I quite often get out rather than listen. All these people do is see the dark side of life. They can never be depended upon when things get a bit rough. They are about as useful as a pair of sponge rubber crutches to a man with two broken legs.

What a great difference there is between the the pessimistic preachings of calamity and the constructive program of the Right Hon. Prime Minister (Mr. Diefenbaker) and the members of his cabinet. The Minister of Labour (Mr. Starr) did not sit around and cry blue ruin because of the recession. He went to work to do something about it. There is an old saying, Mr. Speaker, that idle hands make idle minds. I think before this government came into power the situation was just the reverse because idle minds were making idle hands throughout Canada. The new government took office and reversed the situation again by setting their minds to work instead of being idle and developing various means for improving the economy of this country.

The Minister of Labour went to work on this particular problem and did a wonderful job. I should like to say a word about the winter works program. The Ladysmith *Chronicle* of February 1, this year, had this to say about the program:

> The do it now campaign is rapidly taking on the complexion of some of our familiar seasonal shopping bargain campaigns, like January clearance sales. And so it should. The winter work publicity program has sound reason behind it.

The article goes on to say that the success of this plan thus far indicates what can be done. I will not read the whole of the article because my time is limited. I want to say this, Mr. Speaker, that on a number of occasions I have been called upon to take part in discussions with the various chambers of commerce in my constituency such as, the Galiano island chamber of commerce; the Chemainus-Crofton chamber of commerce; the Duncan-Cowichan chamber of commerce; the Salt Spring island chamber of commerce; the Ladysmith chamber of commerce; the Nanaimo chamber of commerce and the Pender Island chamber of commerce. I also attended meetings of the city councils of some of these cities like Duncan, Nanaimo and Ladysmith. The members of these organizations have always presented their suggestions and requests to me in a businesslike manner; they have never been pessimistic or gloomy about their projects. These men have been busy running their various businesses and engaging in community work. They have been too busy to sit around and wring their hands. There are some members of parliament who could follow their example and the country would benefit.

As I said earlier, Mr. Speaker, conditions in my constituency are good. Apparently the life saver of many members of parliament is the newspaper clippings. These clippings become very valuable at times, and I have a few here from which I should like to quote. The Cowichan *Leader* of February 7, 1962 contains an article with the heading, "January Exports 25 Million". It reads in part:

> Lumber exports from the ports of Chemainus and Crofton totalled 25,507,170 board feet in January,—

That is in one month, Mr. Speaker.

> —almost five million better than the best month in 1961,—

I could continue to talk about this subject, but I have others I should like to mention. The Ladysmith *Chronicle* of January 25, 1962 contained an article with a heading, "Chemainus-Crofton Export Kings of Island Ports." It reads in part:

> Judging from shipping figures released from various island ports, this area was well ahead of all Vancouver island ports in lumber shipments to foreign countries during the past year.

The article goes on to say that during that time various goods were exported.

Here is an article dated February 3, 1962, from the Nanaimo daily *Free Press*, which is headlined, "Nanaimo Port Shipping Has Busy January." The article continues to talk, not about depression, but about the good things that are happening in this country of ours.

There are other things about which I should like to talk. Here is an article from a newspaper indicating that a boat basin is going to be constructed in Nanaimo. This is the equivalent of establishing a new industry in the city, and it will mean a great deal to that city and to the economy of Canada.

An editorial appeared in the daily *Free Press* of January 19, 1962 headed, "Pulp Expansion Opens New Era for Nanaimo." It reads in part:

> Decision of MacMillan, Bloedel and Powell River Limited to go ahead with an expansion program at the company's Harmac Pulp Division south of Nanaimo is received here with the greatest satisfaction.

Now, Mr. Speaker, the importance of this announcement is the fact that this $40 million expansion program will mean 400 additional jobs in Nanaimo and also about 500 people will be working during the time it takes to build this tremendous mill. The editorial goes on to say:

> When the implications of such a step as MacMillan, Bloedel and Powell River Limited has taken are considered, one realizes that the 500 jobs which construction of this plant addition will create for two years, and the 400 permanent jobs which

will continue thereafter, are not the only employment benefits which this development will bring. Needed will be many new homes, new schools, new service outlets of all kinds. This will mean new responsibilities for the local authorities, whether civic, school board or trustees of improvement and fire protection districts.

This is not the only new plant in Canada; there are lots more. We are not actually going to the dogs, as has been suggested. From the February 12, 1962 edition of the Nanaimo *Free Press* I quote this:

Building of B.C.'s $30 million submarine natural gas pipe line under the straits of Georgia from Vancouver to Vancouver island will start immediately.

This pipe line will go to two of the islands in my constituency. We have really nothing to worry about there.

Here is an article from the *Free Press* of January 6, 1962 which is headlined, "Job Picture on Island Looks Good." It reads in part:

A survey of national employment service offices on Vancouver island indicates there is a healthier employment level for this time of year than at any period in the past decade.

Those are the facts. Here is another sign of how the country is growing. This article is from the Nanaimo daily *Free Press* of February 14, 1962 and is headed, "Award Day at Crofton, Canada's Safest Mill." The article reads, in part, as follows:

Mr. Hamilton also pointed out that the new mill would have a considerable impact on the local economy, as $20 million is to be spent and four fifths of this will be on construction.

This will mean more work for the people in my constituency. I might add here, Mr. Speaker, that warnings were sent out from the employment offices of the region to the effect that much of the work has not started because they did not want people rushing in there and being disappointed.

The daily *Free Press* of February 9, 1962 carries an article with this heading, "Ottawa Grant Means Early Start on VTS." This vocational training school at Nanaimo is being built at a cost of $735,000, and the federal share, representing 75 per cent of that cost will be about $551,250.

Here is another article from the Nanaimo *Times* dated February 7, 1962, and it lists all the boats that have loaded at the port of Nanaimo during the month of January, 1962. We find that there were five ships from Norway, three from Liberia, one from Denmark, six from Greece, five from Germany, six from United States, four from Japan, five from Britain, one from Italy and one from Panama for a total of 37 ships. The total crew on these ships would number 1,152. It is estimated that a boat spends approximately $10,000 during loading operations for various things the crew needs. I have cited the number of ships visiting the port during one month, so hon. members can understand why I am happy.

I have in my hand a card which is a notice of a general meeting at the south end hall, on Thursday, February 22, of the Gabriola island ratepayers and residents association. The interesting part of the notice reads as follows:

Progress in Sixty Two is up to you and you.

This is an indication of the spirit the people of Gabriola island have. I am going a bit out of my constituency now, but the January 15 issue of the *Free Press* contains the story about the Qualicum river project to encourage the development of salmon where a million dollars is being spent to help increase the salmon catch.

There are many other projects in my constituency and I could go right through a list of them. They include a public building at Ladysmith, $40,000; harbour improvements at Ganges, $185,000; boat harbour at Nanaimo, $600,000; approach renewal to Chemainus, $13,000 and float renewal at Cowichan bay, $5,300. We certainly have to congratulate our very energetic Minister of Public Works (Mr. Walker) for the interest he has taken, not only in my constituency but in every area across Canada.

There is a new hospital being built at Nanaimo and the Minister of National Health and Welfare (Mr. Monteith) has informed me that the federal grant for that hospital was $454,953, for which I thank him very much. I could go on and on, but here is one type of headline I have in mind "Forty million dollar expansion at Harmac." We have a good government in power right now and things are really happening.

Last week end I was in another constituency, Pontiac-Temiscamingue. The Deputy Speaker took me there and I saw a great pulp mill in which the men are working seven days a week. There is no unemployment; they are all working and at the meeting I attended they could not understand why some politicians should be talking about gloom and doom when they now have it better than they ever had it before. Previously if they got three days work a week they felt very fortunate, and now they are working seven days a week. The manager of the mill told me he could not understand people in parliament starting such terrible rumours, saying that things were never so bad; and he was not speaking solely of his own area. He told me he had toured the United States and all across Canada, visiting various pulp mills, and he found the economy in that industry was tremendous.

On the Saturday night I attended a meeting with the Deputy Speaker, who made an excellent speech. Afterwards my wife and I talked to various people and they were all tickled to death with the way things were going and could not understand why anybody would gripe, complain and talk about doom and gloom.

In our local paper in July, 1960, there was a story which reads as follows:

'Gloom aggravates recession' says head Canadian collieries.

Incidentally, the colliery near my constituency at Port Alberni is starting a large pulp mill. The story continues:

A company president warned Thursday that gloom aggravates recession.

Norman R. Whittal, president of Canadian Collieries Ltd., said at the company's fiftieth annual meeting:

"The public is wont to accept the gloomy forebodings of their leaders and this gloom, spreading throughout the country, in itself aggravates a recession such as we have experienced over the last few months."

That was in July, 1960, and that is a fact. It is disgraceful to have members of the House of Commons attempting to downgrade Canada and attempting to make Canadians believe there is a decline in Canada's prestige throughout the world. This is not well received by Canadians and is an unwarranted attack on Canada's high standing among the nations of the world. It is an attack made for political reasons.

In October, 1960, I was a delegate to the interparliamentary union at its meeting in Tokyo, and the Canadian delegation received a wonderful reception from delegates representing all the democratic countries of the world. We discovered for ourselves that Canada's reputation and prestige is highly respected by all. During my time there I had some interesting experiences which gave me an idea what they think of Canada. At one reception, where we all wore our badges with the inscription "Canada" one page boy came up to me and said "Me Broda". He knew that we came from Canada; he knew the Toronto Maple Leafs and the Montreal Canadiens. He himself was a goal tender and all he could say was "Me Broda". Evidently he knew some of the Canadian players.

Later the president of the ice skating association of Japan called at my hotel and talked with me for three quarters of an hour. Certainly there was nothing there that would lead anyone to think that our country was not highly thought of. I have a letter from a Mrs. Takae Sugita, dated November 17, 1961, in which she says:

Dear Mr. Matthews: Last year we had the pleasure of greeting the M.P.'s from Canada and this year we were honoured by the visits of the Prime Minister, Mr. and Mrs. Diefenbaker to Japan. It was really a memorable occasion. The Japan-Canada Society gave a luncheon in their honour at the Imperial hotel and my husband and I also attended it. There was quite a good turnout of the Niseis in Tokyo. Everybody thought that Mrs. Diefenbaker was so charming and friendly. The Japanese say that if a thing happens twice there will be a third. I wonder what is in store for us next year.

From that one can see how welcome was the visit of the Prime Minister and Mrs. Diefenbaker.

I do not know how much time I have left but I should like to say that people talking gloom and doom remind me of a story I once heard about Pat, who was lying sick upstairs in the firehall. The firefighters sent Mike to cheer him up. Mike climbed up the winding staircase to the bedroom where Pat was lying on the bed. He couldn't help saying "You look pretty pale Pat, I don't know whether you will make it or not. Terry Grady had the same disease as yourself. He looked all right but suddenly he died. You will be all right and I don't want you to worry. However, Gil Finnegan of the iron workers union, a very strong man who never had a day's sickness in his life, he contracted the same disease. He was looking pretty good too but suddenly he handed in his lunch bucket and departed this land. Don't worry Pat, I don't want to worry you. I'm sure you'll be all right." Mike then turned and started down the winding stairs but just as he got to the top of them he turned round and said to Pat "There's one thing bothering me Pat. How do they get a body down these winding stairs." That is the kind of comfort some people give, and it does not help our country when it needs encouragement.

Canada has prospered since the days of depression. There has been a depression in Canada and the United States but we are now well out of it. The picture today is bright and the prospects for the future are colossal. The duty of all governments is to make sure that the sick, elderly and underprivileged are properly cared for, and this the present government is pledged to do and is doing. There is a glorious future for all young Canadians. Those who have been misinformed should take a new look at things, listen to the right people, and they would then discover the facts and their faith would be restored.

(Translation):

Mr. Adrien Meunier (Papineau): Mr. Speaker, I should like first of all to congratulate the mover and the seconder of the address in reply to the speech from the throne (Messrs. Bourdages and Browne, Vancouver-Kingsway), on the manner in which they performed their task.

The case they had to defend was rather weak and their arguments were not too convincing, but nevertheless I congratulate them for their courage and also for assuming their responsibilities and carrying out their duty.

I must also congratulate the Deputy Speaker on his appointment. Knowing his competence and his integrity, I am sure that he will conduct our proceedings with fairness and dignity.

The speech from the throne sets out the legislation to be brought before the house during the coming months.

Other members who spoke before me or will speak later on undertook or will undertake to emphasize its omissions which cause Canada to have no definite policy, a situation which, in my opinion, gives rise to unrest within Canada and concern abroad.

I should now like to single out statements included in the speech from the throne which are just political footballs.

First, there is the proposed amendment to section 94a of the constitution to establish a contributory old age pension plan and other benefits. The Prime Minister mentioned that in 1958. He did not say a word about it for four years, and now that we are on the eve of an election, he brings it up again to offset the program advocated by the Liberal party before the opening of the session.

The national grid system is another political football. This project which would require the provinces' consent would make it possible to convey power from one province where it is abundant to another province where it is scarce.

The principle itself may have some merits but the provinces where power is plentiful will have to think twice before parting with such resources.

Indeed, that project is merely intended to please the provinces which do not have enough power. It did not seem advantageous to a member of the national energy board, Mr. H. L. Briggs, who explained the proposed system before the Engineering Institute of Canada. His remarks were quoted by the hon. member for Laurier in the speech he made January 25 last, as reported on page 188 of *Hansard*.

I should now like to turn to what the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) said in this house on January 23 and as recorded in the official report, page 113, which reads as follows:

> There has always been numerous reasons for French Canadian dissatisfaction with the federal government. Some were well founded and others were merely based on prejudice. However, one of the most serious causes of discontent of French Canadians throughout Canada, and not only in Quebec, was undoubtedly the offhand and indifferent attitude of the previous government not only toward the French Canadian minority, but towards all minorities in Canada. And minorities then included everything that was not Liberal, not Grit.

According to the hon. member, the Liberal party which was in power from 1935 to 1957 was responsible for the discontent of French Canadians throughout the country because of its offhand and indifferent attitude towards all minorities in Canada.

The hon. member's statements are not too clear; indeed, one minute he speaks of the discontent of French Canadians throughout the country and, the other, of the discontent of minorities in Canada.

It is easy to tell, when you read the hon. member's address, that he is not quite clear on that point, that there is still some confusion in his mind on that matter, but not enough, though, to prevent him from asserting anything.

However, to illustrate that discontent and to give strength to his argument, the hon. member gave us an example. I quote:

> Furthermore, Mr. Speaker, I seriously think that the previous government which could have done so much during the 22 years it was in power, is greatly responsible for the discontent of certain groups of Canadians. Some people were driven to despair by the lack of understanding of the government of the time.
>
> Need I illustrate the point? In 1942, there was only one member from Quebec in the Canadian cabinet.

Mr. Speaker, I do not know where the hon. member got his information and I did not try to check that. However, I can tell him honestly, that under the Liberal administration in 1942, after the death of the Right Hon. Ernest Lapointe and the resignation of Hon. P. J. A. Cardin, and before the Right Hon. Louis St. Laurent was sworn in, the French Canadian ministers in office, whether there was one, two or three, had as much value, each single one of them, as the whole group of French Canadian ministers who are now members of the cabinet under the present government.

As far as the treatment of minority groups under a Liberal administration is concerned, the hon. member for Joliette-L'Assomption-Montcalm had better read his history. Then, he would know that the members of minority

groups in this country entered Canada under a Liberal administration and were always treated with fairness.

Under the Laurier administration of 1896-1911, there was an immigration movement, and you have only to ask the Jews, Italians, Poles and others who settled in Canada then how they were treated.

Not one of them complained about the freedom they enjoyed, no more than they had to claim the rights and privileges to which they were entitled. All these persons were subject to our laws, were treated on the same basis as our other citizens and enjoyed the same privileges.

The immigration movement which had started under Laurier stopped from 1911 to 1921, mainly because of the war of 1914-1918.

Still for the benefit of the hon. member for Joliette-L'Assomption-Montcalm, the immigration was resumed under a Liberal regime, from 1921 to 1930.

Once again, it slowed down from 1930 to 1935 due to the depression and the high unemployment level.

From 1935 to 1945, the slack which had been felt during the previous period was not picked up, because, during those years, the Liberal government concentrated on putting the country's economy back on its feet, following which it had to face the problems brought about by the second world war.

However, immigration started up again after the war, and we had the good fortune of having a strong flow of immigrants bring us, as well as some capital, technicians, farmers and engineers who, through their efforts and special skills, added to the nation's wealth.

Speak to these people today and you will discover that they have never had any feelings of contempt toward the Liberal government which had helped them to find a new homeland. They are happy and satisfied with the life they lead, the freedom they enjoy and the benefits they derive from their rights and privileges.

For my part, I have in my constituency some 6,000 Italian and some 1,500 Polish and Ukrainian electors, and never have I heard them criticize the Liberal government which had helped them, nor speak of having been treated in an offhand manner or with indifference by the leaders of the Liberal party.

I understand that the hon. member for Joliette-L'Assomption-Montcalm meant to speak instead of the French Canadian minority, which complains about not getting its share of the advantages provided for under the terms of the British North America Act.

Besides, as he said in his statement, some reasons are well founded while others are simple prejudice. There may be some truth in what the hon. member stated, but I can tell him that the separatist movement in Quebec is not due so much to situations that arose during the Liberal administration, but rather to the fact that the citizens of Quebec recovered on June 22, 1960 a freedom they had been deprived of for 16 years.

Let us hope, however, that the grievances of that movement, if they are justified, will be settled in a spirit of harmony and justice.

However, the Prime Minister could have tempered the separatist movement in Quebec by creating a royal commission on bilingualism in Canada instead of giving a categorical no to that request.

Whether we want it or not, whether we reject such a request or not, the French language, in my opinion, enjoys a great importance today in international relations. The peoples of African countries, like those of many Asian countries, speak French, and French is used more often than English in diplomatic and international relations.

And to prove my claim, here is what the Secretary of State for External Affairs (Mr. Green) said yesterday, in Montreal, to the members of the Canadian club, as reported in *Le Devoir* this morning:

> Canada can play a major role in helping the new French speaking nations of Africa. In those words did Canada's Secretary of State for External Affairs, the Hon. Mr. Green, call discreetly yesterday on the collaboration of French Canadians for the international prestige of our country.
>
> Mr. Green, who was speaking to the members of the Canadian club of Montreal, spent some time explaining the position held by Canada in "the world of 1962".

If Canada is to play a part with the French-speaking nations of Africa, this obligation should not be met only by the French Canadians but also by the English-speaking Canadians. We want every citizen in this country to assume his share of the beneficient part Canada must play in Africa as well as in other foreign countries.

Mr. Speaker, I should like to deal now with another matter. I wish to urge my Conservative colleagues from Quebec not to mislead the Quebec voters in the next election campaign on vital issues out of which they made capital in 1957-58. They will have to remind the Quebec voters that Canada does not have an ambassador to the Vatican as yet. Some criticized the Liberal party for not having done a thing about such an appointment and, with a great emotion in their voice, pictured us in the eyes of the people as almost atheistic individuals because we did not make such an appointment.

That issue was linked with religious considerations instead of being discussed from the point of view of diplomatic relations and good will.

Another issue our Conservative colleagues from Quebec should not forget to mention to the people is that of the Canadian contribution to underdeveloped countries under the Colombo plan.

As a matter of fact, Mr. Speaker, we find in the speech from the throne the following sentence:

> You will also be asked to appropriate funds to maintain Canada's external aid program.

In the 1957 and 1958 elections, they made capital out of that issue. Under the guidance of their grand master at the time, the leader of the Union Nationale, they relied on the slogan that "Duplessis was giving to his province and the Liberals to foreigners".

They spread all sorts of slanders. Again with emotion in their voices, the Conservatives from Quebec contended that the Liberals were giving everything to foreign countries while the population of Quebec was overburdened with taxes, and that with that money it would be possible to carry out several projects in Canada. But they were omitting to give the actual reason for this assistance to underdeveloped countries, which is to help these people to overcome poverty and to prevent them from being the victims of communist philosophy.

The people must be told that this government has maintained the policy of the previous Liberal administration, that it has increased its contributions from $35 million to $50 million and that in addition it is giving assistance to the West Indies and Ghana.

Another thing I would like to recall to my Conservative colleagues from Quebec is that they should not repudiate the friendly and brotherly relations they had with the Union Nationale government in order to be elected in 1958.

Now that the Union Nationale party has gone into the valley of humiliation, everyone denies having had any relations with it.

However we know that in 1958 the organization of the Union Nationale was in attendance on the Conservative party and that money was not lacking.

I shall not take time to speak of letters of thanks or kisses of friendship exchanged during that election campaign, because they are facts of common knowledge to the people of Quebec.

However, for pity's sake, my Conservative colleagues from Quebec do not disown what you have worshipped.

We would be surprised, if each one of the Conservative members from Quebec were questioned, to learn where the funds they used to be elected came from.

The generous hand of Hon. Gerald Martineau was very helpful to them. And the purveyors of the Union Nationale government were well thought of and thanked for their generosity. I can tell the Quebec Conservatives that I know what I am talking about and that if they would rather forget those things, we shall not fail to remind them and to set the record straight.

Once again, gentlemen, be logical and frank. Don't burn down what you have worshipped.

Before concluding my remarks, Mr. Speaker, I would be remiss if I did not mention the kind of circus meeting the Conservatives organized in Montreal, especially and mainly in St. Denis constituency on the 30th of November last.

The meeting was for the purpose of choosing the Conservative candidate who, according to certain newspapers, had not come or, having come, half-opened the door and seeing that the attendance was poor, did not enter.

Listening to a certain speaker at that meeting, Mr. Speaker, one would have thought that it was the continuation of the Union Nationale campaign.

We know that the provincial constituency of Laurier is included in the federal constituency of St. Denis.

Judging from an earlier speech by an hon. member, we would think the Union Nationale was still campaigning.

True, there were not very many people present, although the meeting had been publicized a great deal. However, I believe more respect should have been shown for the ears of the listeners.

As a matter of fact, at that particular meeting, the member for St. Jacques (Mr. Campeau) was rather vulgar, as pointed out by *La Presse* last December 1. I quote:

> So far as Mr. Campeau is concerned, here are some noble expressions he used in connection with the Liberals: Liberal yoke, Liberal dirt, political scavengers, red cancer, organized gangsters, advocates of rottenness, downgraders of French Canadians, etc.

Judging from the tone of the speech, we certainly recognize the Union Nationale, now disowned by the Conservatives. However, I can tell you, Mr. Speaker, that the Union Nationale era is over in Quebec and that we, in the Liberal party, do not propose to imitate Tory speakers in that connection, using vulgar expressions like the member for St. Jacques

has done, because we respect the intelligence of the voters.

Mr. Paul Lahaye (Champlain): Mr. Speaker, it is with great pleasure that I add to the congratulations and well deserved praise directed to you by the majority of hon. members who preceded me in this debate. I also extend my congratulations and best wishes to my excellent friend, the hon. member for Pontiac-Temiscamingue (Mr. Martineau) upon his appointment as chairman of the committee of this house. The same applies to the mover and the seconder of the address in reply to the speech from the throne, Mr. Bourdages and Mr. Browne (Vancouver-Kingsway).

Last Sunday evening, in my constituency of Champlain, in the town of Cap de la Madeleine, a convention of the Liberal party was held, and when I read the report published by *Le Nouvelliste,* the local Trois Rivieres newspaper, I was amazed to see a statement made by the main speaker, the hon. member for Laurier (Mr. Chevrier). I regret that the hon. member is not now in his seat, but I am sure that he will have no difficulty in getting acquainted with my remarks.

As mentioned this morning by the Prime Minister (Mr. Diefenbaker), the hon. member for Laurier is supposed to have criticized, among other things, the subsidy of $40 millions voted for western farmers after their poor harvest, while nothing was voted to help eastern farmers.

I can hardly imagine the hon. member making such a statement, and if it is accurate, I challenge him to go and repeat it on the prairies. I shall have the opportunity in a moment to show what the Conservative government has done for eastern farmers.

The hon. member for Laurier has also strongly criticized the policy of the Conservative government in the field of agriculture. He has accused the present government of having lowered farmers' income by abolishing support prices on foodstuffs, mainly eggs and butter.

Mr. Speaker, I consider that as a fallacious and unwise statement. Such a statement on the part of the so-called Liberal leader in the province of Quebec gives us an idea of the kind of arguments our opponents will use in the next election campaign.

It will be a bitter pill to swallow for our opponents to realize that the Quebec oracle from Cornwall is no statesman, but a petty politician. Either the member for Laurier is completely ignorant of agricultural policy—which he cannot afford to be in his capacity as the right hand man of the Leader of the Opposition, or he is horribly and wilfully distorting the truth.

If the hon. member for Laurier has any sense of justice and fairness, he will ask the paper I have quoted—if his statement has been misquoted—to put the facts straight. But, if his statement has been correctly reported, he will have to state on the page where the convention was reported that support prices are still in force for butter and eggs, the support price amounting, as everyone knows, to 64 cents a pound for butter, while the one on eggs not only has been maintained at 33 cents but increased to 34 cents last year for grade A eggs.

Mr. Speaker, as a lifetime farmer and the member for a rural riding, I believe I am entitled to make certain comments concerning the agricultural policies of the present government.

I will start by admitting that our dairy industry is going through hard times and, before making a survey of the situation which exists today and putting forward certain suggestions, I will briefly refer to the situation which prevailed before 1957, when the government which has since been put aside was in power.

Even though, by doing so, I might be accused of being prejudiced by my opponents, I would say that one of the greatest difficulties now encountered by the dairy industry results from the fact that the previous government, on the eve of the 1957 election, in a purely partisan gesture, with the purpose of window dressing, raised the price of skimmed milk powder to 17 cents a pound, which raise had never been requested by any agricultural organization.

Mr. Speaker, that is the origin of present conditions. That was the starting point of the difficult situation experienced by our dairy industry, and to prove it I should like to quote a farming publication which most hon. members—at least those from Quebec—will or should know. I am referring to *Terre de Chez Nous* of December 6, 1961. It contains an item signed by the editor, Mr. Paul-Henri Lavoie. This publication is in no way related

to *La Reforme* nor any Conservative paper, for I have never seen its editor on Conservative hustings. After taking a look at the position of our dairy industry, Mr. Lavoie says this:

There is, first of all, the setting by Ottawa of a price of 17 cents a pound for powdered milk just before a federal election, whereas organized producers never asked for such a price and their maximum claim stood at a fairly lower level. A complete organization was then developed in processing plants in order to take advantage of that very high price, which resulted in a considerable production increase.

Mr. Speaker, as I said a moment ago, this was in the December 6, 1961 issue.

Mr. Deschatelets: Mr. Speaker, would the hon. member permit a question?

Mr. Lahaye: Certainly.

Mr. Deschatelets: Does the hon. member know that according to the most recent 1961 statistics, prices paid by Canadian farmers have increased while their income has been lower than for the previous year?

Mr. Lahaye: Mr. Speaker, I think I should call it six o'clock, and I shall answer the question of the hon. member for Maisonneuve-Rosemont after recess.

(Text):

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

(Translation):

Mr. Lahaye: Mr. Speaker, before recess, the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) asked me a rather ambiguous question. Since he knows a lot about agriculture, I am sure he will find in my remarks a clear and exact answer to his question.

However, I could tell him that he may find an answer right now to part of his question if he reads an article which was published in *La Presse* on February 2, 1962, concerning the federal bureau of statistics. Its title is:

Higher income for farmers in 1961.

That, in itself, already contradicts what he implied in his question.

The article in *La Presse* reads as follows:

According to federal bureau of statistics figures released today, the income of Canadian farmers has reached a new high of $2,928,900,000 last year.

A DBS survey shows also that the farmers' income went up for all types of crops, except potatoes, oats and barley.

The total farmers' income, not including deficiency payments, was 5.3 per cent higher than in 1960 when it reached $2,761,000,000. The previous record, which dates back to 1952, was $2,839,100,000.

Last year, agricultural income went up in seven provinces. However, there was a decrease in New Brunswick and Nova Scotia due to the drought and disease which affected the potato crop. No statistics were released for Newfoundland.

Mr. Speaker, this is a rather conclusive answer to the insinuation made by the hon. member for Maisonneuve-Rosemont in his question.

I shall now take up my speech where I left off before recess.

I was saying that the obviously political stand taken by the Liberal party was designed to increase its popularity in rural areas on the eve of the election. It is that attitude which led to the unfortunate situation of the dairy industry today.

At a price of 17 cents a pound, that most precious commodity was a determining factor in the establishment of some 20 milk powder processing plants. It was really gold powder.

As a result, butter fat stocks went up considerably. We can see to what extent those people have lost all sense of proportion. While the minimum price of butter was set at 58 cents a pound, the minimum price for skim milk powder was fixed at 17 cents a pound. You could not have a better example of a complete lack of good judgment, a complete lack of everything that could help to alleviate the situation. Honestly it is contrary to common sense.

As a result, we have seen our powdered milk surplus pile up quickly and become in no time a burden that could not be supported. Our butter surplus also grew tremendously.

The floor price of butter is set at 58 cents per pound and the floor price of powdered milk at 17 cents. What nonsense.

I ask you, Mr. Speaker, do you think the farmers of Quebec and Ontario—the two butter and cheese producing provinces—will want to rely on the Liberal party and go back to chaos?

On the other hand the Conservative government immediately took the required steps to remedy that senseless situation.

The minimum price for butter was fixed at 64 cents per pound, and a 25 cent subsidy has been added since.

I state, as a matter of principle, that, under no considerations whatever, must the minimum price of butter or subsidies be removed, because present conditions in the dairy industry of the province of Quebec,

our largest butter producer, should not be changed.

There is no reason why the farmer should see the price he is now getting for his milk go down for this would amount to a disaster.

I do not have the slightest doubt, Mr. Speaker, that the present government, which is constantly looking after, not only the western farmers, but also the eastern farmers, will be the one to receive the farmers' vote, because it is the one which will be asked to keep on helping the farmers who, like all other people, are entitled to a livelihood.

Mr. Deschatelets: When is the election?

Mr. Lahaye: It will probably come too soon for my hon. friends on the left side, the cold spot.

Mr. Brassard (Lapointe): That remains to be seen.

Mr. Lahaye: Mr. Speaker, I shall continue for a short time with the government's agricultural policy. I wish to establish that, as far as eggs, poultry and other agricultural products are concerned, the government has done a lot, first through the Agricultural Stabilization Act and, then, through minimum prices.

Whatever the hon. member for Laurier (Mr. Chevrier) may say, I am convinced that the Agricultural Stabilization Act has kept the price of eggs above the minimum price and that the government has not had to pay any subsidy to support it, at least not this year.

It is the Agricultural Stabilization Act that has created a balance between production and consumption.

There might be during a few months a small surplus of eggs and it is to be expected that this situation will right itself around the last six months of the year, which still leaves a minimum price for eggs, in case of need.

A similar provision exists for beef and pork.

You remember, Mr. Speaker, that before 1957, because of a policy that had nothing to give confidence to farmers, there was no way to stabilize prices. There were fluctuations, which were not decent, in the price of pork. In fact, the prices ranged from 17 to 40 cents a pound. Some farmers were almost driven to bankruptcy, because after buying piglets at the time the resale price was 40 cents a pound, they could hardly sell them after fattening, because the sale price had dropped sharply.

On the other hand, in view of the sudden rise in the price of pork, at certain times, doctors, lawyers, hotelkeepers bought pig farms of about 1,200 to 1,500 pigs and lost considerable amounts of money, although that kind of farming, normally, was rather profitable.

Fortunately, the Conservative government has stabilized prices by setting a minimum price of $22.65. Last year, after a necessary adjustment period because there were hundreds of millions of pounds in warehouses, the price of pork went up a little to reach a high of approximately $5 more than the maximum price of the previous year and this, without any subsidy from the federal government.

Mr. Speaker, I say that this legislation clearly establishes that the government is granting some protection to that agricultural class, in a country where there are too many producers for the number of consumers, and which will still have to be protected at least for a period of few years, the length of which we cannot determine as yet.

The voters will surely have confidence again in the government as they will be sure to continue to have a decent standard of living comparable with that of other classes.

With reference to the agricultural industry, on account of a policy which has been called for some reason vertical integration, we have seen a constant increase in chicken and turkey production, to such an extent that last year, prices went down to levels which were far from encouraging.

This government then decided to establish a tariff of 12 per cent on poultry meat imports from the United States. Unfortunately, because of the constant reduction in price, that 12 per cent represented at a given time only about 2½ cents.

Such protection was inadequate. Therefore, we saw last year that the federal government concerned over the agricultural class as usual, while keeping the tariff at 12 per cent, established a minimum of five cents a pound. This means, Mr. Speaker, for the information of the member for Maisonneuve-Rosemont who may not be aware of it, that the minimum applicable to imports of poultry, pork, chicken or turkey meat from the United States constitutes a protective tariff of 5 per cent. This now enables our farmers to continue their production.

I have with me today the publication *Terre de Chez Nous*. In the February 14, 1962 issue, I saw what, in my opinion, was an extremely practical suggestion from the Ontario minister of agriculture. I quote part of that article:

When recently addressing a group of farmers in his province, the Hon. W. A. Stewart, minister of agriculture, expressed his intention of curbing the farm integration system to some extent in order to help the family farms to survive:

"The Ontario government is willing to introduce some legislation during the next session in order to curb the expanding vertical integration of the farming industry.

"It is prejudicial to the best interests of farming in general and of the family farm in particular that the food processing industry should completely control, not only the processing of farm products, but also the future and income of the farmers".

Mr. Speaker, I find that suggestion most reasonable and I recommend it wholeheartedly to the present premier of the province of Quebec. He could, indeed, take some very constructive action by controlling the packing and cattle feed industries whose production regular impinges on a field which rightly belongs to the farmer.

I am making that suggestion for the benefit of the Quebec farmers, and it should be applied by the ever busy and quite confused premier of that province.

Now, Mr. Speaker, I want to thank the Minister of Public Works (Mr. Walker) who, at my request, finally recognized the pitiable situation that prevailed in the constituency of Champlain in respect of the erosion of river banks caused by the boats sailing through especially since the St. Lawrence has become a seaway.

Before 1957, only a few loads of stones were used as they were granted from time to time to friends of the government, but since then continuous retaining walls were constructed. At first, they were dry walls 1,000, 2,000, or 3,000 feet long, depending on the money we had been able to secure.

I was told today by the minister that very important contracts had just been awarded. One of those, in the amount of $66,601.80 is for the construction of a protecting wall 1,620 feet long which will be a permanent structure. That is what I have long been asking for and after studies made by engineers, my request was finally granted. I think it is an innovation. Another contract was awarded for a similar wall which is to be 4,165 feet long and its construction is to begin immediately at Cap de la Madeleine. This contract is for an amount of $175,216.25.

I note, in the votes for the current fiscal year that an amount of $200,000 was put aside for the construction of retaining walls at Champlain and that another amount of $200,000 is for Cap de la Madeleine.

This is worth noting. This is about ten times as much work as was done under the former administration during the four years before 1957. I give credit for it to the Minister of Public Works and to the Conservative government.

I should like to say a few words about the proposed Trois Rivieres bridge, a project which has been under consideration for a long time. I had the honour to participate in the debate, last year, on a bill to extend by three years the rights of another government or a public body, which would care to take it under its charge. I should like now to elaborate on the remarks I made at the time. In no way should I like to displease my colleague the Minister of Transport (Mr. Balcer), but I expressed the view last year, that it seemed more appropriate to have the bridge at Cap de la Madeleine instead of Trois Rivieres. I had pointed out at the time that the shore was about 30 feet higher at Ste. Marthe in Cap de la Madeleine than at Pointe du Lac. There is a second reason which would be quite strong—a bridge that would link the mainland to the north of the river, at Ste. Marthe in Cap de la Madeleine, would connect directly with the Shawinigan-Grand'-Mere-La Tuque highway, which will be completed up to Roberval, passing through the park, to end up at Quebec city.

There is still another reason. We are earnestly asking—and, in this connection, I have the support of the municipal authorities of Cap de la Madeleine and of certain advisory bodies that we respect and whose suggestions we usually consider—that Cap de la Madeleine be provided with a wharf which could accommodate vessels of a certain tonnage. This would be correlated with the proposed bridge, because a wharf which could accommodate vessels, ocean-going vessels, would also permit those vessels to unload at Cap de la Madeleine their cargo which is often shipped to industries of Cap-de-la-Madeleine, Shawinigan and Grand'Mere, and that without any traffic snarls on Duplessis bridge, thus clearing Trois Rivieres where traffic becomes particularly heavy at peak hours.

The national harbours board claims that the revenue of the wharf at Cap de la Madeleine does not justify the expense involved.

I would humbly submit, Mr. Speaker,—and I believe the Minister of Transport and the Minister of Public Works will understand my argument—that it is impossible, when there is no adequate wharf to accommodate a vessel, to make any profit. Let there be a wharf of an appreciable length to accommodate an ocean-going vessel or a ferry boat of a reasonable tonnage. Then, traffic will become heavier at Cap de la Madeleine, which will relieve Trois Rivieres and help that city and Cap de la Madeleine to continue to prosper.

Mr. Speaker: I regret to interrupt the hon. member, but his time has now expired.

(Text):

Mr. Arnold Peters (Timiskaming): Mr. Speaker, things that happen in parliament occasionally happen very suddenly, and sometimes you find you have a promotion when you do not expect you are going to be promoted. It may be that way at the present time.

Tonight I should like to speak about a problem in my riding, a problem which I think affects all Canada. Recently I talked to a national press representative whom I drove through my constituency, and he was very surprised to find such a large fertile agricultural area in that part of northern Ontario. This area was completely unknown to him and I presume that some people across the country are still unaware of the fact that the riding of Timiskaming contains the odd geographical phenomenon that is called the little clay belt. However, in years to come a great deal more will be heard about the little clay belt, and as the need grows for more agricultural production in Canada I believe this very large natural resource potential of agricultural production will come into its own.

Mr. Herridge: The same as the Kootenays.

Mr. Peters: Yes, it possesses some similarity to the Kootenays. I understand our areas are similar in length of time of development. In many cases the people occupying the farms in my riding are the original pioneers who cleared the land 50 or 60 years ago. Indeed, there is not one farm in the Timiskaming riding which has been worked longer than 70 years. The little clay belt has a teriffic agricultural production potential, but it is a potential that will not be realized until we are able to develop markets and increase our consumption of the products produced in that area. The agricultural potential of all northern Ontario will be realized in years to come, when probably the area will be the breadbasket of all America. In Timiskaming we have a million acres of arable agricultural land. The hon. member for Cochrane (Mr. Habel) represents another area, the great clay belt, that in the more distant future will be brought into production with a capacity of 6 million to 7 million acres of farm land.

In the little clay belt we have 300,000 acres of taxable farm land. We have 1,600 farms that produce agricultural products to supply the needs of close to 100,000 people. Unfortunately because of our inability in years gone by—particularly in the last 20 years—to develop markets and dispose of the agricultural production of which we are capable, we now have only 400 farming families that receive the major portion of their income from the land on which they live. This indicates, of course that many of the farms occupied by the 400 farmers have increased in size and production. Advancements in automation and technocracy have made their impact and now less farmers are producing more than ever before.

This is a very interesting agricultural area. It is what one would call a mixed farming area. We have about 25,000 head of cattle, and I am trying to interest the federal government in vaccinating them against brucellosis and making it a controlled area. These cattle are both beef and dairy production. We have a large new industry being built up in beef in conjunction with the community sales of that area. Therefore this is a very important agricultural area. It is an area that is, in my opinion, representative of agriculture in all parts of eastern Canada and the problems we have are probably very representative of the agricultural problems across the country.

I will not detail all the commodities that are produced there, but I should like to mention one. Maritimers are very proud of the fact that they grow very good potatoes. They do not grow really good potatoes. The people from my area won the Canadian championship in the potato class at the royal winter fair this year and they know, because of past experience, that they will continue to win it. This is an indication of the fact that in northern Ontario we have a very great potential in this field; and the surface is only scratched.

We have another problem, and this is certainly true of all eastern agriculture. I should mention that the previous speaker placed some emphasis on this problem as it affects the

province of Quebec, including his riding. I think it affects the producers in the agricultural industry all across Canada. I refer to the problem of the lack of markets and marketing facilities, which includes supervising, grading and inspection.

We could probably produce enough potatoes in Timiskaming to supply the needs of southern Ontario as well as our own area, but because governments have not yet been interested in establishing grading stations and providing the capital necessary for co-operative enterprises to develop marketing, grading, packaging and the other forms of development that are necessary to put a uniform and well graded, well inspected potato on the table, we have not been able to induce enough people to come into the area and produce this commodity.

This becomes a real problem. Do you get all the producers into the area and produce the potatoes, with no market for them, and then establish the grading stations and facilities for packing these products; or do you develop a product, get a brand name for an area or region and then, when you have the trading and co-operative facilities for handling and storage, go about establishing markets for those products?

In northern Ontario we have other problems that may exist in other parts of eastern Canada. We are plagued with a high freight rate. I wish to refer to one specific item, that grain can be shipped from Winnipeg, Manitoba, to North Bay at 80 cents per 100 pounds. On our own railway, if it is shipped from North Bay to New Liskeard, the freight rate is 31 cents per hundred pounds. Therefore we have problems in connection with high freight costs which we have not been able to solve. There have also been problems in connection with the high cost of fertilizers, machinery, and particularly the high cost of rural living. This is perhaps the greatest problem that rural agriculture faces today. I refer to the price that is charged against land in the form of taxation in order to cover rural roads, rural education, rural communities. In particular, the municipalities which have been spreading into the townships, where rural taxation has to cover many facilities, are not able to carry these costs. This has placed a burden on the farmer and on the rural taxpayer, a burden that has not been asked of any other segment of the Canadian economy.

As the years go by, there is an increasing desire to supply those living in a rural economy with what are considered in the city to be the necessities of life. We desire to raise the standard of living of the people and the standard of housing and facilities, and I believe it is impossible for the municipal tax structure to be continued at the present basis.

While it is true that farmers in my area do not receive some of the benefits of farmers in other parts of the country, I believe that something has been done by this government, and something has been done by provincial governments to assist in this problem. We have heard very little objection to the acreage payments being made to farmers in western Canada. We have heard, of course—and we agree with this statement—that these payments should be made on an annual basis, because the Prime Minister (Mr. Diefenbaker) says these are payments that are being made to establish in Canada a true price system for wheat. If this is true, I suggest that these payments should be made on an annual basis and they should be made regularly, because if a true price system is desirable one year, it is desirable each and every year.

Many of the other subsidies which have been given to agriculture in other parts of the country have not been made available to the farmers in eastern Canada. I refer in particular to my area and such schemes as disaster assistance, money that would be paid in the event of disaster. In most cases, when this kind of assistance is asked for, because the area is small, the regions are separated and the disaster is of a localized nature, it is very difficult to get any type of assistance for farmers who may suffer on this account.

Mr. Speaker, we have all heard of the drought in western Canada and we sympathize with these farmers. I believe we should demand that this government give immediate attention to this immediate problem and do something for the farmers of western Canada who are plagued by drought, and where the indication is that the situation will be worse, not better, next year. This assistance in the main has been of a very short term nature. In the last few years we have experienced only one major program of the Conservative government to develop something for agriculture on a long range basis. We have supported this program. I have heard many Conservative members rise and say that A.R.D.A. has been an exceptional achievement of this government and that it will do a great deal of good. We supported A.R.D.A. We believe that this program will do some good on a long range basis, but for goodness sake let us not make it too long; let us get cracking on it. If

it needs some improvement in order to induce the provincial governments and municipalities to participate, let us get going. Already we have waited 40 years, which is much too long, to solve some of the problems in connection with putting agricultural land back into reforestation and beginning a national conservation program of this nature.

We believe that one of the major necessities of Canadian people in the field of agriculture lies in the area of orderly marketing. The New Democratic party believes that one of the long term programs that will help stabilize agricultural production and farm prices is the establishment of a national producers marketing board.

The New Democratic party believes that one of the long term programs that will help to stabilize agricultural production and farm prices is the establishment of national producers marketing boards.

Agricultural producers today have insufficient marketing power. In order to strengthen the marketing position of producers and provide them with a realistic price for their products it will be necessary to enact legislation to provide parity price levels for products under the control of a system of producers marketing boards.

To ensure flexibility these boards should be organized on a commodity basis with a defined jurisdiction on a regional basis. As an example, a potato producers marketing board operating within the maritimes area will be separate from another operating in northern Ontario. The efforts of each board will be co-ordinated through the development of a federal producers marketing board. Each of these units could operate in its separate sphere in supplying service to its area producers for export, and for their share of some common internal market. Their efforts will be co-ordinated and rationalized by the federal producers marketing board.

In respect to production, a provincial producers marketing board would have the responsibility of keeping the supply closer in relationship to the demand for the commodities. This could be done by taking the historic production of individual producers as a starting point, a system of producer licensing and any other powers the board must require.

In the marketing of the product, the provincial producer marketing board should have the responsibility and the power to deal adequately with the production and assembling of the product to the wholesaling and processing level. Provision should be made in the act to allow the processors and/or the wholesalers to become agents of the federal board if producer boards were to request such action. If this were done it would mean the establishment of boards of produce commissioners. For example, in respect to dairy products, vegetables and meat the commissioners would set margins of operations for processors and wholesalers in a similar manner to that in which the board of grain commissioners now operates.

In establishing the price of a given product the federal government would have the responsibility of bargaining on behalf of the consumer with the producer marketing board for producer price guarantees for the commodity. These prices would be set with reference to total farm costs and levels of farm income in relation to the rest of the economy, and be re-negotiated at the end of an agreed production cycle of the commodity. In contrast to the fixed producers' prices, the consumer market price would be a free-flowing market price. If supplies become sufficiently strong to depress the market price below the guaranteed producer price, compensation will be paid to the producers through payments from the consumer revenue fund, and in relation to individual production should market prices fall below the guaranteed producer price. To illustrate how this would work, using butter as the example and presuming that the producers marketing board are in control of supplies, several steps would be required. These would be:

(1) Necessary legislation drafted at the federal level with respect to agreed prices which would provide incentives for producers to organize.

(2) The producers in each province interested in butter production would have the responsibility of establishing the producer marketing board. A majority of producers in favour would be required to put the provincial marketing board into effect.

(3) If sufficient provinces established these boards representing a majority of the production, the plan would be declared in effect.

(4) The producer marketing board would bargain with the appropriate agency of the government—the agricultural price board—for a guaranteed price to the producer for a specified period of time. This time period would be related to the production cycle of butter.

(5) The guaranteed price and the possibility of deficiency payments would be only available to producers through the producers marketing board.

This means that if some provinces produced some butter but chose to stay out, they would run the risk of price penalty in the event of a strong production flow when consumer marketing prices descended below production

prices. Commodities flowing into the export field would have to be handled by the federal producers marketing board.

It should be possible to draft this type of program so that producers in various areas could take advantage of different degrees of government participation. It might be, for instance, that producers in a given area of Canada would want only to be able to assemble the commodity and market it with a minimum amount of government participation in the pricing field. It may be that others would want more substantial government participation. The program should be flexible enough to accommodate these area differences.

To summarize: (1) The plan is designed to give maximum marketing power to the producer of the commodity. This would be done by giving the producer marketing board of the commodity in question responsibility and authority to rationalize the production of the commodity and to assemble it into position, and also by giving the producers the power to rationalize price in relation to farm costs and levels of farm income, and to become more effective in bargaining for that price.

(2) The plan is designed to let the consumer benefit from an abundance of supply by allowing the consumer price to decline in the face of strong production.

(3) The difference between the price the consumer pays and the price the producer requires is to be made up by deficiency payments.

(4) This program would not be implemented until the producer marketing boards were organized on an area and commodity basis representing a majority of the production.

I do not expect that all the farm representatives have been able to follow this proposal—

Mr. Charlton: May I ask the hon. member a question? I wonder if he would care to say from what he is quoting?

Mr. Peters: I am quoting from my own notes. The proposal has been designed and adopted by the national council of the New Democratic party as a plank in their agricultural program.

I am quite happy that there should be a few chuckles. This is a program in relation to only one aspect of a long range plan that will assist the farmers of Canada. The New Democratic party is not the only body interested in farming which is concerned with this problem. This year the national farmers union made a submission to the government on January 31, and on the subject of personal ownership, said that they were interested in personal ownership as applied to farmers and the farm community. I quote from page 5 of the submission:

[Mr. Peters.]

To halt the artificially promoted trend to bigness and vertical integration, farmers will have to seek remedies in the marketplace.

The report of the restrictive trade practices commission of August 3, 1961, indicates that the three largest meat packing companies together slaughter more than 60 per cent of all the cattle and more than 60 per cent of all the hogs in Canada. The report says that the position of the largest of the three, namely, Canada Packers Limited, in the market is so dominant that it is against the public interest and to the detriment of both producers and consumers.

Correspondence of the company, quoted by the director of investigation in his statement of evidence, shows that the company is trying to eliminate competition and break markets.

There is no doubt in our minds that the concentration of so much market power in one corporation is against the public interest and constitutes a definite threat to the survival of the family farm.

Short of bringing the three largest meat packing companies under public ownership, we can conceive of only one other measure to limit this power, namely, to give farmers countervailing power in the marketplace.

We, therefore, urge your government to use the power given it by section 95 of the British North America Act to enact enabling legislation providing for the establishment of national marketing boards with mandatory powers and controls over the marketing of commodities produced on farms, including those owned or operated by processors, distributors and manufacturers.

National marketing boards will do much to limit the abuses and antisocial practices of monopoly power in the market place as evidenced by the restrictive trade practices commission in its recent investigation into the meat packing industry.

It is not sufficient to speak of the need for establishing national marketing agencies or boards. The government advocates a national power grid but will do nothing until the provinces have committed themselves. The position is no different in agriculture. We suggest the establishment of a national marketing board to handle agricultural commodities and regulate their distribution in the interests of the producer and consumer. This beneficial objective can be met only through the government spelling out a program which I invite all hon. members to consider and support.

To make it abundantly clear that we are sincere in advancing this proposal I move, seconded by the hon. member for Vancouver East (Mr. Winch):

That the following paragraph be added to the address:

"This house regrets that Your Excellency's advisers have failed to give agricultural producers proper and countervailing power in the market place through, among other things, taking steps to provide for national marketing boards."

Hon. J. M. Macdonnell (Greenwood): Mr. Speaker, I suppose this is what we have to expect, and we must just take it with all the equanimity we can muster.

Mr. Benidickson: Filling in a vacuum.

Mr. Macdonnell: We know that our hon. friends opposite in the far corner of the chamber are socialistically minded. They are quite justified in putting forward their views as they are doing here. I merely wish to point out that the attitude of the present government towards farm problems seems to me to be very sensible. We have not ignored these problems and have been prepared to take special measures. I think of the action taken through the wheat board. We can remember the price support that was placed under butter and various other commodities. All these problems have been dealt with, as far as possible, on their merits and in a practical way. I would think that farmers from coast to coast in this country have a great deal about which to be satisfied.

I must say this proposal made me almost dizzy when I heard of the various calculations that were to be made and the various people that were to be consulted. Quite frankly, this seems to me to be the essence of socialism. It appears to be a negation of freedom.

An hon. Member: It seeks to give countervailing power.

Mr. Macdonnell: Those words are used, but the essence of the proposal seems to be to dragoon people. The idea this government adheres to is that measures should be designed to help people help themselves. My hon. friends opposite will say the present proposal seeks to accomplish this, but the kind of interference and control this proposal embodies is such that as far as I am concerned it is inconsistent with the aims of the party to which I belong.

The present government is practical. We have dealt with various things which seemed to be in an exceptional position. The wheat board is one of them. But this goes beyond that and, as far as I am concerned, I could not vote for this proposal.

I wish to discuss a subject tonight which is as old as the hills. I believe it continues to be of immense importance. Indeed, in the difficult days in which we are living now I feel it is acquiring a special importance. I refer to relations between labour and capital and particularly to co-partnership with the aim of making the ordinary workman feel he is part of the show, working for himself. I shall have some distinguished witnesses to call, the first being Lord Amory, the present British High Commissioner, who in England was a manufacturer and who has views on the subject. He, by the way, was deputy chairman of what I believe was known as the co-partnership institute.

I also wish to call as witness through his writings Mr. James F. Lincoln of the Lincoln Electric Company of Cleveland who has written a book which I believe we should all read. It is one of the most stimulating and impressive books I have encountered for a long time.

Third, I wish to call as witness a Canadian manufacturer, Harold Lusk, an ex-president of the Canadian Manufacturers' Association, a most broad-minded, you might almost say evangelical man, in his approach to his business, but nevertheless a man who pays his wage bills, and pays dividends to his shareholders. In other words, he runs his business in a practical way.

I wish also to say I am merely following in the steps of the Minister of Finance (Mr. Fleming) and the Minister of Trade and Commerce (Mr. Hees) when I discuss this subject. Last June the Minister of Finance in talking about what was required to meet the situation used these words:

> To secure a maximum increase in employment it is desirable—I should say essential—that every industry, every business and every labour organization should give renewed thought to increase of productivity, the improvement of efficiency, and the competitiveness of costs and prices.

Hon. members might say there is nothing new in that, and perhaps there is not, but I will be coming back to this point and I think I will be able to satisfy hon. members of the house that although there is nothing new in these concepts they have not been put into practice.

I now wish to quote from the Minister of Trade and Commerce. I remind the house that in the world in which we are living today we have fresh competition. Western Europe has been given a flying start by the Marshall plan and it is now competing with us as never before. I shall read an extract from an interesting speech the Minister of Trade and Commerce (Mr. Hees) made last November in Toronto when addressing a group of manufacturers. The minister said, among other things:

> Western European industries are efficient, and have a high degree of technological skill. They also have lower wage rates than we have in Canada. Most important of all, there exists in western Europe something which we have in all too few cases in Canada—a high degree of co-operation between management and labour, which enables them to work together constantly to improve design and quality, and to lower costs. The result of all these factors is that most of the industries in the common market countries produce products which are equal to or better than ours in quality and design, and sell at lower prices.

I hope that hon. gentlemen have registered that and will ponder the seriousness of that statement with regard to ourselves.

> The highly competitive position of western European industries today is the result of hardheaded, practical thinking on the part of both management and labour. They know that unless their product

is the best buy on the market it will not be sold and there will be no profits for the company and no jobs for the labour force.

Those are the words of the Minister of Trade and Commerce. He goes all out to advocate co-partnership, to advocate that management should sit across the table from its employees not merely to discuss wages and hours but to discuss the operations of the company. He pointed out that this is the kind of thing that goes on in Europe, and I believe that in Germany it is required by law that the men have a certain say in the management of the company.

In spite of the lead given by these two ministers I am disappointed to find that the speeches of business and financial leaders in the last few months have seemed to ignore this point, have seemed to ignore the importance of making the men feel that they are part of the show. These speeches that I speak of stress lowering taxes, increasing depreciation, raising tariffs and giving export subsidies, all of which may have their point, but I draw the attention of hon. members to two things. The first is that all these four things that I have mentioned are entries in books, and are in effect subsidies. They do not suggest that a single man in a single factory is to do better work and produce more goods, which after all is the important thing. On this matter I wish to quote from James Lincoln's book, "A New Approach to Industrial Economics". First of all I wish to read an interesting sentence indicating the spirit in which Lincoln took on his job. He set himself a standard which hon. members may think a bit high, but which I believe he has worked out literally. When he was appointed many years ago he set up an advisory board which I believe has met every two weeks ever since. He says this:

I knew that if I could get the people in the company to want the company to succeed as badly as I did there would be no problems we could not solve together.

These are plain, simple words but I think hon. members will agree with me that they say a lot. When one can say, as one can, that Lincoln succeeded in that effort, it is not surprising that this company of his has had a brilliant career. Lincoln is frank in his criticism of manufacturers. He refers to the days that have gone by when he thinks manufacturers were effective in giving full play to their men, enabling them to do their best work. He says this, speaking of the manufacturer in the U.S.:

He has now failed to get the co-operation of the worker and is losing out because of friction. When he gets co-operation, he can and will win again. This is not a theory only. It is the history of all manufacturers who have designed a proper product and built it with co-operative workers. Wage rates per hour are of little importance in themselves. The important thing is wage cost per piece. This depends on efficiency of operation and on that only.

I quote another statement of Lincoln.

Perhaps he is a little exuberant and perhaps there is a little exaggeration but nevertheless he has succeeded to the point where he is entitled to make this statement:

When a properly designed product is made by co-operative workers, the cost can be reduced by any amount desired by the group involved.

That is a strong statement but nevertheless he gives cases where costs have been brought down not by 20 per cent or 50 per cent, but by larger amounts. He says again:

When the worker is rewarded and stimulated in a way acceptable to him, such co-operation can be gained.

He is quite frank in saying that he thinks workers have not always been treated as they should have been.

I wish now to say a word on the present economic situation by Deutsch, who is now at Queen's University but was formerly with the Department of Finance in Ottawa. He says this:

It is obvious that the recovery which is now taking place will have to be much stronger than any of the cyclical recoveries since the end of the war if full output and employment are to be achieved. If such a strong upswing is not realized the problem of substantial unemployment will persist further into the future.

This next I find very interesting:

Our export trade, always a vital factor in Canadian economic growth, is confronted with the prospect of an entirely different world. The developments now taking place point to the division of the world into large trading blocs, each with a huge internal market surrounded by protective barriers of one sort or another. The irony of it is that these developments indicate the possibility of Canada being cut off from the one special trading area with which she has been historically associated, namely, the British preferential system.

There is another aspect of our trading position which is being affected by new and powerful forces. The underdeveloped countries are entering and will continue to enter into the world market with an increasing volume of exports produced in low wage industries.

I also want to quote from what the president of the Canadian Manufacturers' Association, Mr. Mathers, had to say recently in Halifax:

—productivity figures from 1949-58 make sad reading for us in Canada. In Japan productivity growth over most of this period was at the rate of 5.5 per cent per annum. In West Germany the rate was 5.3 per cent, in Italy, 4.5 per cent, in France, 3.7 per cent and in the United States 2.3 per cent. In Canada by comparison it has been 1.8 per cent.

He goes on to point out that a high ranking Canadian economist estimates that a growth rate of between 4 and 5 per cent annually is necessary if we are to remain in the race for a share of the world's markets. Having quoted

Lincoln, I wish to quote from Lush and then from Amory. Let me say that these are two practical men. They are not long-haired evangelists. Lush has practised profit sharing for 13 years. He has this to say:

> It has been said with much truth that the only way to defeat communism is with a better ideology, and just as soon as management raises its sights and comes through with higher thinking, backed by unselfish leadership, management will find that slowly but surely its role of leadership will be accepted. Loyalty, good will and confidence cannot be bought. These must be won.

I also want to read from Amory. He has been a manufacturer and he is deputy president of the industrial co-partnership association. He says this:

> Let the chosen representatives of employers and trade unions get together and make a reappraisal of what is needed by industry for maximum efficiency in the interests of all. If this were done with honesty and good will, many time-honoured techniques of both sides would be discarded as outworn and irrelevant to the needs of today and tomorrow.
>
> I have always believed that in these matters the prime responsibility for the initiative lies with the employers.

I want to stress that again. The prime responsibility lies with the employers.

> Let the employers first make a sincere reappraisal of their practices to see if they really measure up to an attitude of partnership and consultation on equal terms.

I continue with another quotation from Amory:

> Our system of democracy is on test industrially as in other fields. We are competing with communist countries whose governments do not allow either free choice to interfere with its priorities or controversy and competing loyalties to weaken its single-minded concentration on economic results. In this race the free democracies are in danger of being left increasingly behind. In the face of this competition, we shall only survive if we cut out the waste, the misdirected efforts and, worse still, the inertia that results from our over indulgence in the luxury of scrapping about the subdivision of our present earnings and replace this with a much more dynamic spirit of positive co-operation.

I am sorry to read at length but I felt that it was worth while to put on the record these statements by practical men who have proved the success and feasibility of what they say.

I have made some considerable inquiry, so far as I can, as to the attitude of the ordinary hourly worker. I said the other day to a man who had a good deal of manufacturing experience, "would you say that a considerable number of hourly workers have very little interest in what they are doing?" He said, "you could put it more strongly than that."

I am going to stick out my neck by giving a small experience of my own. Years ago, when I was in business, our company occasionally discharged the functions of receiver and manager. We were for four years the receiver and manager of the Dominion Steel and Coal Company in Nova Scotia. We got some good advice when we were going there. We were told that the workmen were mostly from Scotland or had a Scottish background. We were told, "you can lead them anywhere but you cannot drive them an inch". This was good advice, and I like to think we followed it.

We had two great advantages, of course, as receivers. First of all, we were not regarded with suspicion as the owners often are. We were not the owners, we were merely another employee. We were working for the benefit of the company and the workers knew that their pay was the first thing that came out of the earnings we made. We had an advantage there. Second, we had another advantage in that we were bound to give the worker the full story of the operations of the company. I think that is a very important matter. I think a great deal of the dissatisfaction from which workmen suffer results from the fact that they do not believe they know the whole story. Those of us who are at all familiar with these matters know that that is true.

Even the best of manufacturers, even the best people in business, often consider themselves entitled to at least some accelerated construction here or a little extra there so as to keep the accurate story of the earnings from the worker. Now, coming back, I want to add this from my own small experience. We had, I think, a very good relationship with the workers during the four years we were there. They came on one occasion and asked for more wages, and it was my duty to explain the situation to them. One thing they found difficult to understand was depreciation, but they accepted it. They believed what we told them, and at the end of the day they said that it looked as if the money was not there. They did not press their request. No one can ever make me believe that if you are able to get a good relationship with sensible men who believe you are sincere you cannot talk to them as man to man on sensible terms. I want to say that there is no mystery about getting on good terms with men. Various people have done this. Simpson-Sears, Dominion Foundry and Steel in Hamilton and other companies, to mention no more.

I have been tremendously impressed with this Lincoln book. I wish I could prescribe it as reading for everybody. I cannot believe

anybody could read that book by James Lincoln without being impressed. Furthermore, when you get the figures, you realize it is little short of a miracle. As you recall, he said if he could get people in the company to want the company to succeed as earnestly as he did there would be no problem that they could not solve together. This man has proven the truth of that statement, just as other people have. Lush said that he was afraid of what would happen in a bad year but when a bad year came the men took it in their stride without complaint. This impressed him and it impressed me very much.

I cannot see any invalidity in this argument of co-partnership and making the men feel they are part of the show. It only wants a little thought to realize that if the men believe they are part of the show they will be absolutely different. Indeed, the argument goes farther. It is that when men have a feeling that any improvement is going to go automatically into the pocket of the shareholder, whom they do not know and of whom they are suspicious, why would they try to work better? He says they will not, and I am afraid that may be true.

I come back now to what Amory and others have said about the responsibility of management. I have been very clear in what I have read to you. Lincoln is even clearer, and I read that to you. What is the answer? Are these men right or wrong? I cannot believe they are wrong. As I read this book through, I was deeply impressed. The figures are there and you can find out what happened with regard to the Lincoln Electric Company. There is nothing phony about it. I can see no catch in it at all.

Now, I have suggested that the remedy proposed by the Minister of Finance (Mr. Fleming) and the Minister of Trade and Commerce (Mr. Hees) is the right remedy and that their appeals to the business world should have been taken more seriously. The suggestion is that there should be more partnership. I have read to you what Amory has to say about it. I have read to you what Lush has to say about it. I have told you that I have been in touch with the people in Simpsons, who told me there was no question about the soundness of co-operation. Simpsons is not a small organization, it is a big organization. Dominion Foundry and Steel in Hamilton is not a fly by night operation; it is a big organization and they practise it. It is increasing. It has multiplied about ten times in the United States.

For the life of me, I cannot see why it should not expand. I think I can understand what the difficulty is. I heard of one meeting in which two believers in profit sharing talked with a group of businessmen, but they did not get anywhere. I believe it was Lush who told me that the reason they did not get anywhere was most of the men there were not owners, they were managers. He said he thought these men would have liked to go along the lines of profit sharing but their owners did not like it. I am afraid that is an attitude which has become widespread among shareholders. They take the attitude, this is ours and we can do what we like with it. I believe that idea is not only bad for the company, I believe it is bad for the country.

Now, I always hesitate to suggest legislation as a remedy, but perhaps there should be a tax benefit to companies who practise some kind of sharing with the men. There is no magic about profit sharing. It can be done through shareholdings as one method. Whether or not there should be a tax advantage to give people some inducement to practise this method, I do not know. I feel as sure as I am standing here that it is one method of getting us out of our difficulties. The men whom I have quoted have no doubt, and they are people who should know. The results are not balanced or uncertain; the results are clear and convincing, even startling.

I wish I had Churchill's voice so that it would carry. I was never so sure in my life that I am right. I wish I could do something to help the minister. He has tried his best, but it is difficult. He has met a lot of rather stiff opposition from the ordinary company management.

Of course, it is not going to be easy. Some of my business friends have pointed this out and I said to them I do not pretend it is going to be easy. I think it is going to be very hard because I believe it means that you men have not only got to take the initiative, you have got to make the people across the table feel you are sincere and pretty nearly have got to admit you have been in the wrong". All these authorities think that management should take the initiative since they ought to be better educated. They have had more opportunity to travel and to learn. Taking the initiative will be difficult and I told them that I know it is difficult. That is a very hard thing for a successful man who has been carrying on a business. It is hard for him to take any action which in effect says he is wrong.

These three men I have quoted made such strong arguments that it convinced me; I think everyone will agree that we in this country, if we are going to compete with this new European competition, have to get our costs down. It will not do at all if we are going to get them down by every other device

except doing better work. Therefore I suggest this new approach by Lincoln to industrial economics. I prescribe a chapter of it every day for manufacturers, and if they are not cured in one reading then I would prescribe "the mixture as before" until they are cured.

Mr. Fisher: May I ask the hon. member a question? His argument is a persuasive one but has he thought of presenting it to the national productivity council and, second, does it not seem possible that his argument may be an indictment of that organization which his own government set up not so long ago?

Mr. Macdonnell: I am so glad you asked that question because I intended to mention the national productivity council. I would hope very much that the national productivity council would follow this line of reasoning and would stress it in their work. Thank you very much for asking that. I would like to think I am not treating the question too lightly. What I say, is, don't neglect this subject. I do not think anyone who takes the trouble to dig into this book can possibly reach any conclusion but that, it is very well worthy of serious consideration and I hope my manufacturing friends will mark, learn and inwardly digest what it contains.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I have only a very few minutes before the vote will be taken on the amendment moved by the hon. member for Timiskaming (Mr. Peters), but I think it would be interesting to compare the amendment—which undoubtedly the hon. gentleman did himself—with one of the points in the summary of the submission to the government of Canada by the national farmers union, which reads as follows:

> Short of bringing the three largest meat packing companies under public ownership, the N.F.U. sees only one other measure to counteract their dominant market power, namely by giving farmers countervailing power in the market place. The N.F.U. therefore asks for enabling legislation to establish national marketing boards with mandatory powers and controls over the marketing of commodities produced on farms, including those owned or operated by processors, distributors and manufacturers. It therefore asks the federal government to use its power under section 95 of the British North America Act and enact enabling legislation.

As the hon. member well knows, and as every distinguished lawyer knows, there have been many difficult cases heard in the courts, some carried to the privy council, about where the real jurisdiction lies over marketing of farm products.

The question was settled in the case of wheat because, if I remember correctly, it enters so largely into export; but the trend of the decisions as I recall them, and I am speaking very much from memory as I have not looked up these cases for a long time, was that in most commodities the jurisdiction would be in the provincial and not in the federal field. I would doubt very much if the jurisdiction could be founded under section 95 in any case; that section relates to agriculture, not to marketing.

But, sir, the Canadian Federation of Agriculture also presented views to the government of Canada and I have a copy of the views that they presented. In their presentation they indicated very clearly that marketing legislation may be necessary. They say, after referring to certain things that relate especially to Ontario:

> Continued study should be given to the difficult question of what further national marketing legislation may be needed to implement national programs of producer marketing as they develop in the years ahead.

We agree completely with this view. I do not think there is any doubt where the Liberal party has stood about the rights of producers to market their products in their own way, if they wish to do so. We have stood solidly behind the wheat board because it undoubtedly is within the jurisdiction of parliament, and we feel that farmers, whether the jurisdiction is federal or provincial, should have this right if they want it. But we fear that, since we are asked to make a mandatory statement, without examining whether in fact it is suggesting a serious invasion in a field of jurisdiction that was given by the British North America Act to the provinces, and not to this parliament, this would not be a proper motion for us to support at this time without having a careful opinion from the law officers of the crown that this would really be within the jurisdiction of this parliament. For that reason we shall not find it possible to vote for the motion.

The house divided on the amendment (Mr. Peters) which was negatived on the following division:

YEAS

Messrs:

Fisher	Martin (Timmins)
Herridge	Peters
Howard	Winch—6.

NAYS

Messrs:

Aiken	Beech
Aitken, Miss	Bell (Saint John-Albert)
Allard	Benidickson
Allmark	Boivin
Badanai	Boulanger
Balcer	Bourbonnais
Baskin	Bourdages
Batten	Bourget

Brassard (Chicoutimi)	McGregor
Brassard (Lapointe)	McIlraith
Broome	McLennan
Browne (St. John's West)	McWilliam
Cadieu	Mandziuk
Campbell (Lambton-Kent)	Martel
Carter	Martini
Casselman, Mrs.	Matheson
Cathers	Meunier
Charlton	Michaud
Chevrier	Milligan
Churchill	Mitchell
Clancy	Monteith (Perth)
Clermont	More
Coates	Morissette
Cooper	Morris
Crestohl	Morton
Crouse	Muir (Cape Breton North and Victoria)
Danforth	Muir (Lisgar)
Denis	Nasserden
Deschatelets	Nesbitt
Doucett	Nielsen
Drysdale	Nixon
Dubois	Noble
English	Nowlan
Eudes	O'Hurley
Fairfield	Ormiston
Fane	Pallett
Flemming (Royal)	Parizeau
Fournier	Pascoe
Frechette	Paul
Fulton	Payne
Garland	Phillips
Grafftey	Pickersgill
Granger	Pigeon
Grenier	Pratt
Grills	Pugh
Gundlock	Rapp
Habel	Regnier
Hales	Ricard
Hamilton (Notre Dame de Grace)	Richard (Kamouraska)
Hellyer	Richard (Ottawa East)
Henderson	Richard (St. Maurice-Lafleche)
Hicks	Roberge
Horner (The Battlefords)	Robinson
Jones	Rompre
Jung	Rouleau
Keays	Rynard
Kennedy	Sevigny
Knowles	Slogan
Korchinski	Small
Kucherepa	Smallwood
Lafreniere	Smith (Lincoln)
Lahaye	Southam
LaMarsh, Miss	Spencer
Latour	Starr
Leduc	Stearns
Macdonnell	Tardif
MacEwan	Taylor
MacInnis	Thomas
MacLean (Queens)	Tremblay
MacRae	Tucker
McBain	Valade
McCleave	Vivian
McDonald (Hamilton South)	Walker
McFarlane	Webb
	Winkler—149.

Mr. Speaker: I declare the amendment lost.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I should first like to pay the traditional compliments to the mover and seconder of the address in reply to the speech from the throne and also to the new Deputy Speaker and the former deputy speaker who is now the Minister of Mines and Technical Surveys (Mr. Flynn). Any congratulations extended to these hon. gentlemen must today take second place to congratulations to the first United States astronaut, Colonel John H. Glenn.

Individual feats of heroism capture the imagination of the world. In this magnificent feat today there may be contained the seeds of a growing together, an easing of tension, a turning away from the ways of war to a more peaceful way of life. Astronaut Glenn joins two great Russians, astronauts Titov and Gagarin. I venture to say there will be a comradeship between these three men who are the first of the human race to brave space which is beyond the ideological conflict between the east and west.

It could well be that the acclaim which is so freely given to astronaut Glenn from the western world may be also given from the eastern world. Bravery knows no boundaries. Heroism is something all mankind can admire. This tremendous feat today could well mean a turning point in international relations. I say that the congratulations and good wishes of all free men must today be extended to astronaut Glenn.

In the course of my remarks I intend to review the accomplishments of the government but before doing so I shall deal with the subject of the export of power. I have in my hand an article which appeared in the *Financial Post* bearing the headline "How Power Companies Fared in Export Bids" from which I shall read a few excerpts:

> National energy board this week approved eight applications to permit export of power to the United States, but:
>
> In all cases, the licenses granted were considerably more restrictive than those asked for.

And again:

> Although the national energy board decisions were released all in one batch, some of them have been hanging fire for months.

And still further:

> Ontario-Minnesota Pulp and Paper, which had asked for a 10-year licence, was given only one year, while most of the others were given three to five year licences.

I believe the national energy board is doing a magnificent job in the implementation of our national oil policy but it seems to me it is a little behind the times in the field of power exports.

I wish to quote from an article which appeared in the Montreal *Gazette* of February 13, 1962, referring to an address made by Mr. H. F. Beique, president of the Canadian Electrical Association and president and general manager of the Quebec Power Company, in reporting to the association. The article states:

In 1951 thermal generation represented only 14 per cent of net generating capability in Canada. In 1961 it reached 19.3 per cent; by 1972 it will represent 31 per cent of our capability, or very close to one third.

The article deals with statements Mr. Beique made with regard to the over-all cost of power as a factor in total manufacturing costs. The article states:

In these days, when competition for international markets is perhaps our most serious problem, the cost of electricity in Canada, for all manufacturing, is but eight tenths of a cent per dollar of product.

In primary manufacturing, it is 1.8 cents, whereas in secondary manufacturing, it is only four tenths of a cent.

These costs are so low that they are insignificant; as a matter of fact, it may be said that even if electricity were free to industry, a small increase in wages or in the cost of materials would annul the gain made.

The point I am attempting to make is that I believe the government must re-examine its policy governing the export of power and bring it up to date. An arrangement should be made under which power may be exported under terms which will allow the recapture of that power, with sufficient safeguards incorporated in the export licences to prevent any part of Canada from which power is being exported suffering from a deficiency of hydroelectric power. If the power is truly surplus there is no reason why five year applications should be reduced to one year, or why a 25 year application for the British Columbia Electric should be cut to five years. If the power is truly surplus for 15 years and there is a reasonable safeguard placed on top of the calculated requirements, I suggest the board should look at this realistically.

May I call it ten o'clock.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, I take it that tomorrow and Thursday we will go on with the debate on the speech from the throne. Can some indication be given to us by the house leader as to what we will do on Friday?

Mr. Churchill: The throne speech debate will continue tomorrow, Mr. Speaker. It is one of those debates that may be concluded at any time. I do not think I should go beyond announcing that business for tomorrow.

Mr. Chevrier: Well, should we complete the throne speech debate before Thursday, which I doubt, could the house leader give any indication what the business will be then?

Mr. Churchill: That is a hypothetical question, Mr. Speaker. They are often asked in the house but never answered.

Mr. Hellyer: The minister raised the hypothesis.

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

HOUSE OF COMMONS

Wednesday, February 21, 1962

The house met at 2.30 p.m.

PRIVILEGE

MR. ARGUE—ANNOUNCEMENT OF RESIGNATION FROM NEW DEMOCRATIC PARTY

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I rise on a question of privilege affecting the house and my position in the house. I rise to inform the house that I have severed all my connections with the New Democratic party and, as a consequence, yesterday requested Your Honour to change the location of my seat.

My decision made at Regina to the Assiniboia N.D.P. executive was taken only after much careful and heart searching thought. The most difficult part of this decision was the realization that it meant leaving a group of men who had become very close to me, and who had worked and co-operated with one another for a period of almost four years. I leave eight hard working, sincere members of parliament who have served their country and their constituencies with distinction, and whose devotion to duty is an example to the whole house.

The second great difficulty in the decision I was making was that it was bound to hurt many good people of independent thought who had been my close friends within the C.C.F. These were the people who day after day, often at great sacrifice, went about trying to build a new party based on social justice and economic equality, and with the basis of control in the constituency organization. The consequence to them of my action I profoundly regret. In its justification I can only respond that the integrity of the Canadian nation, in my judgment, required me to make this decision.

I have already stated that in my opinion the N.D.P. was in the control of a small labour clique, and that their hold on the party was sure to continue and strengthen with the affiliation of more union locals. With delegates representing trade union locals and other labour bodies predominating over constituency delegates at conventions, discussion and persuasion on the convention floor becomes superfluous and votes become exercises merely to rubber stamp previously agreed to platform directives. It would be most dangerous to the democratic process to have a party gain power, the effective control of which resided in a handful of labour leaders situated outside the House of Commons. This was the impelling reason why I have left the N.D.P.

As to the future, I shall merely say that I desire to seek re-election to parliament in my own riding of Assiniboia, and that I expect to make a further announcement bearing on my political future at an early date.

Mr. Speaker, I thank the house for its kind indulgence.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I rise on a question of privilege in relation to the hon. member's statement.

Mr. Speaker: If it is a question of privilege affecting the hon. member individually, perhaps it would be in order for him to indicate what it is, but unless it is a matter of individual privilege or the privilege of the house I think the subject matter of the statement just made is probably one for debate. I point out to the hon. member that in the past similar statements of privilege have been made and precedent has been not to comment. However, if the hon. member has a point which he feels it raises—

Mr. Fisher: Mr. Speaker, I had no intention of rising and getting into the refrain of "Will ye no come back again" or anything like that, but I did feel that as a consequence of what the hon. member has said he has opened the way for a statement on this matter because there has been a reflection upon the other members of this party. As a consequence I just want to say that I do not intend to make the statement here, but it will be made tomorrow in the debate on the speech from the throne.

CRIMINAL CODE

AMENDMENT TO CHANGE METHOD OF EXECUTION

Miss Judy V. LaMarsh (Niagara Falls) moved for leave to introduce Bill No. C-69, to amend the Criminal Code (capital punishment, form of sentence).

Some hon. Members: Explain.

Miss LaMarsh: Mr. Speaker, the bill is a very short one consisting of one section. It is simply to provide a change of sentence upon someone found guilty of a capital crime

in order that the sentence shall be carried out by a gas chamber and not by hanging until death.

Motion agreed to and bill read the first time.

COPYRIGHTS

REPEAL AND REPLACEMENT OF EXISTING LEGISLATION

Miss Judy V. LaMarsh (Niagara Falls) moved for leave to introduce Bill No. C-70, to provide for copyright in Canada and to implement the universal copyright convention.

Mr. Pickersgill: Explain.

Miss LaMarsh: This is the reintroduction of a bill which is simply intended to modernize legislation which has not been modernized since 1921.

Hon. E. D. Fulton (Minister of Justice): On a point of order, Mr. Speaker; I have no firm views on the matter, but I thought I should bring this to your attention and to the attention of the house. It is my recollection that there is already on the order paper government order No. 6, a resolution that it is expedient that the houses of parliament approve the universal copyright convention signed by Canada at Geneva in 1952, etc.

I confess I have not given attention to the details of the question, but it did occur to me that it might be appropriate to bring the matter to Your Honour's attention, perhaps for consideration later, as to whether it is proper that the hon. lady should be given leave to introduce her bill at the present time.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Perhaps I may be allowed to say a word on the point which has been raised. It would appear to me that a resolution of the house would have no legislative effect. What the hon. lady is seeking to do is legislate to change the laws of Canada. There does not seem to me to be any incompatibility between the houses of parliament approving a convention which has been entered into and subsequent legislation to implement that convention.

Mr. Speaker: I thank the Minister of Justice for drawing attention to the possible point of order. I think no conflict arises at this stage, though it might as the bills progress if they turn out to be identical or very similar; because the house cannot, of course, carry on the same debate under two headings. But at this stage I think there is no obstacle to the hon. lady proceeding with her bill.

Motion agreed to and bill read the first time.

[Miss LaMarsh.]

ADMINISTRATION OF JUSTICE

ONTARIO—REPORTED PLAN TO REORGANIZE COURTS

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of Justice. Can the minister say if he has been consulted with respect to the proposed reorganization of the Ontario courts, introduced in the legislature yesterday by the attorney general; and if so is he prepared to introduce the necessary complementary legislation in this house in the near future?

Hon. E. D. Fulton (Minister of Justice): I am not aware of the particulars of any measure introduced by the attorney general in the Ontario legislature yesterday, so I cannot say whether I have been consulted on the precise proposal. I can say, however, that the attorney general of Ontario and I have had discussions on the desirability of increasing the number of judges of the high court of Ontario, and I have indicated that subject to the approval of my colleagues, I am prepared to recommend the appropriate legislation to this house.

CANADIAN NATIONAL RAILWAYS

DISCUSSIONS RESPECTING PURCHASE OF PACIFIC GREAT EASTERN RAILWAY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Acting Minister of Transport. Will the minister inform the house whether there have been any discussions between members of the government or officers of the Canadian National Railways and members of the government of British Columbia or officers of the Pacific Great Eastern Railway, with respect to the purchase of the Pacific Great Eastern Railway by the Canadian National Railways, or have any such discussions been proposed?

Hon. Gordon Churchill (Acting Minister of Transport): I shall take the question as notice and refer it to the Minister of Transport, but it is obviously a question for the order paper; it is far too long for oral question and answer.

HEALTH INSURANCE

QUEBEC—ALLEGED BANKRUPTCY OF HOSPITAL PLAN

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. Is the minister aware that the government of Quebec has made bankrupt the hospitalization plan in that province?

Mr. Speaker: Order.

Mr. Pigeon: What steps does the minister intend to take to assist the people of Quebec who are the creditors in this situation?

Mr. Speaker: Order. The hon. member is perhaps making a noteworthy attempt to enlarge the jurisdiction of the federal government, but I do not see that his question comes under the responsibility of the Minister of National Health and Welfare.

MANITOBA

NEW SITE FOR TOWN OF CHURCHILL

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to put to the Minister of Public Works a question which was passed to him by his colleague the Minister of Transport on Friday last, and ask the minister whether he has any report to make to the house on any plans or proposals there may be for moving the townsite of Churchill, Manitoba.

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, that matter has been under consideration. Inasmuch as it is a matter which primarily involves the province of Manitoba, and inasmuch as consultations are under way at the present time and no decision has been reached, I am unable to make any further statement.

Mr. Pickersgill: A supplementary question, Mr. Speaker. Is the minister able to state whether these consultations will be concluded at an early date?

Mr. Walker: When they are concluded, Mr. Speaker, a report will be made to the house.

POWER

PEACE RIVER—APPLICATION FOR CONSTRUCTION OF DAM

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I wish to direct a question to the Minister of Justice in view of his knowledge of and responsibility for this matter. Could the minister say whether an official application has been received from the British Columbia government or an agency of that government for a federal permit authorizing the construction of a dam or dams on the Peace river? If so, what is the present status of the application?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I thank the hon. member for sending me notice of his intention to ask this question, but as I entered the building only a few moments ago I did not have time to check in detail. Therefore the only answer I can give is that to my knowledge no application has been received. I shall ask my colleague the Minister of Public Works whether he has knowledge of such an application, which would probably be directed to him officially.

Mr. Winch: Mr. Speaker, may I direct my question to the Minister of Public Works as a supplementary question?

Hon. D. J. Walker (Minister of Public Works): Up to the moment no application has been received.

EXTERNAL AFFAIRS

OUTER SPACE—SUGGESTED JOINT DEVELOPMENT FOR PEACEFUL PURPOSES

On the orders of the day:

Mr. Arthur Smith (Calgary South): Mr. Speaker, may I ask the Prime Minister whether he would care to comment on the message sent by Chairman Khrushchev to President Kennedy suggesting that the United States and Russia might pool their effort in the development of outer space for peaceful uses.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, according to the press today Mr. Khrushchev sent a message in that sense to the President of the United States and suggested there should be co-operation of a scientific, technical and material nature between these two nations in outer space.

As the house will recall, this is a matter which I had the honour of bringing before the United Nations in September, 1960. On an earlier occasion I spoke of this to the Canadian Bar Association and put forward the proposition that in view of the tremendous potentialities in outer space for good and evil, action should be taken among the nations before it is too late to achieve the means to ensure to all nations, great or small, sovereign equality in outer space and, as well, to ensure that outer space will be used for scientific and peaceful purposes. It was also suggested on behalf of Canada that international agreement should be reached as soon as possible on the use of outer space entirely for peaceful purposes, regulating against its use for military purposes.

Anything that may be done to advance such an agreement will certainly receive Canada's support. It is one of the most outstanding problems facing mankind. After what happened yesterday and the two previous flights that were made by U.S.S.R. astronauts, it must be generally considered by mankind that now is the time to prevent developments

in outer space that would add to the fear of mankind. In other words, now is the time for the establishment of the rule of law internationally for the control of outer space for peaceful purposes.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Prime Minister a supplementary question. Is the government considering taking any diplomatic initiative in this regard with either of the two powers concerned?

Mr. Diefenbaker: As the hon. gentleman knows, Mr. Speaker, since this proposition was advanced at the United Nations, discussions have been taking place. As he knows, it has been the hope of mankind for a thousand years that nations might agree on the rule of international law applicable to all nations. We have not been able to achieve it in the terrestrial sphere; we hope it can be achieved in the extraterrestrial sphere before it is too late.

Mr. E. W. Brunsden (Medicine Hat): I wish to ask the Prime Minister a somewhat related question, Mr. Speaker. Having in mind yesterday's epic feat by the United States astronaut, would the Prime Minister give consideration to the sending of an invitation to John Glenn, Jr. and the members of his family to visit Ottawa in order that he may learn at first hand of the warmth of our affection?

Mr. Diefenbaker: I am sure that Canadians as a whole would welcome such a visit, Mr. Speaker. I do not think any words that could be added to those that have already been used could reassure him more that he would receive a tremendous welcome here in this country.

POST OFFICE DEPARTMENT

ALLEGED ABUSE OF DIPLOMATIC MAIL PRIVILEGES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask of the Postmaster General a question of which I sent him notice. It relates to a protest I received about the use of diplomatic mail by the United States government in order to deliver propaganda to Canadians. My question is general. Can the minister indicate whether there is any abuse of the free diplomatic mail privileges of foreign countries in respect of distributing propaganda in Canada?

Hon. W. M. Hamilton (Postmaster General): Under the terms of an agreement among the countries of North America, South America and Spain, each of us enjoys franking privileges in the other countries and no control whatsoever is exercised over the contents of mail which is handled in that way. I might nor do I think anyone else does so, to papers printed for the use of the committee on foreign affairs of the United States congress passing through our mails.

PENITENTIARIES

DISCUSSIONS WITH PROVINCES RESPECTING CERTAIN PRISONERS

On the orders of the day:

Mr. Gabriel Roberge (Megantic): I wish to direct to the Minister of Justice a question of which I sent notice. I will put my question in French.

(Translation):

Is the Minister of Justice in a position to make a progress report to the house on the negotiations held with the provinces with a view to extending the jurisdiction of the federal government in penitentiary matters concerning inmates under a sentence of one year and over?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I should like to thank the hon. member for sending me notice of his question.

As I have stated before in the house, the federal government will not be in a position to assume these new responsibilities until a few years from now. Besides, I dealt with that problem in the house last year. The hon. member will find further details if he refers to *Hansard* of June 12, 1961.

(Text):

DRUGS

ALLEGED INCREASE IN COST RESULTING FROM PROMOTIONAL ACTIVITIES

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to ask a question of the Minister of National Health and Welfare based on an article in this morning's *Globe and Mail* to the effect that the British Columbia medical association is of the opinion that sales promotional activities engaged in by pharmaceutical firms add considerably to the resale cost of certain drugs. If so, would the minister care to comment?

Hon. J. W. Monteith (Minister of National Health and Welfare): I have not seen the article, and would not care to comment on it without perusing it.

SPORTS

ADVISORY COUNCIL—INQUIRY AS TO REQUESTS FOR GRANTS

On the orders of the day:

Mr. Georges Valade (St. Mary): I have a question I should like to put to the Minister of National Health and Welfare, but I will ask it in French.

(Translation):

Could the Minister of National Health and Welfare tell the house whether he has received one or more requests with regard to the $5 million available to the national advisory council on physical fitness and amateur sport?

(Text):

Hon. J. W. Monteith (Minister of National Health and Welfare): On Monday last I met with the provincial ministers to discuss arrangements for agreements with the provinces. At this conference we simply discussed how an agreement would be drawn up, and the officials of the provinces and of my own department were discussing this matter again yesterday. At this stage the officials of my department have proposed to draw up a draft agreement and send it out to the provinces for their consideration, and thus far there has been no request for actual funds.

BUSINESS OF THE HOUSE

AMENDMENT OF AGRICULTURAL MARKETING LEGISLATION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the parliamentary secretary to the Minister of Agriculture. My question is based on the astounding fact that the government members and members of the official opposition voted against the principle of marketing legislation last night.

Some hon. Members: Order.

Mr. Herridge: I should like to ask the parliamentary secretary whether the government intends to amend the marketing legislation.

Hon. E. D. Fulton (Minister of Justice): Before the question is answered, Mr. Speaker, I should like to raise a point of order. Knowing as we do that hon. members are in the habit of sending out copies of *Hansard* containing the questions they have asked and answers they have received, I suggest to Your Honour that this question in this form should not be asked because my hon. friend has made an assertion—and that therefore makes the question out of order—and an inaccurate assertion which puts the question beyond the pale. I think this is important, because otherwise *Hansard* will go out containing inaccurate and out of order assertions.

Hon. J. W. Pickersgill (Bonavista-Twillingate): If I might say a word on that point of order, I should like to point out that there is a third ground that the Minister of Justice could have given, and that the house took a decision on this matter last night, and a decision of the house is not subsequently debatable by any hon. member, even in the guise of a question.

Mr. Herridge: If the question offends the rules, then as a very green member in this position I apologize.

Mr. Speaker: The hon. member demonstrates his experience. It is quite true that the hon. member began his question most improperly by reflecting upon a decision of the house. Objection having been taken, he will certainly have to delete that part of his question. As to the part of his question that remains, I forget whether it could stand alone. If he has a bona fide question of the parliamentary secretary, he may ask it.

Mr. Herridge: In view of recent events, would the parliamentary secretary inform the house whether the government intends any amendment to the marketing legislation?

Mr. Speaker: I think the hon. member's question comes within the category of those related to general policy. If he limits it to any present intention to introduce a bill he might get by with it. However, I am afraid he cannot ask it in this form.

[*Later:*]

Mr. Harold E. Winch (Vancouver East): May I ask the Acting Minister of Agriculture if he is in a position to inform this house as to whether there is any intention, at this session, of introducing legislation to deal with the marketing of agricultural products.

Hon. J. A. MacLean (Acting Minister of Agriculture): This is a question to be decided by the government, and when a decision on this matter is taken it will be announced to the house in the ordinary course.

TELEVISION

HALIFAX—ALLEGED INFRACTION OF RULES

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the Minister of National Revenue whether the board of broadcast governors has found that the program entitled "Youth Wants to Know", which appeared on television station CJCH in Halifax, involved an infraction of the rules of the board of broadcast governors. If the hon. gentleman has not the information to hand, would he take the question as notice and report to the house?

Hon. George C. Nowlan (Minister of National Revenue): I will be glad to take the question as notice. I had not heard of the matter in any way until the hon. member raised it.

COMBINES

DRUGS—INQUIRY AS TO REPORT

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Justice, and ask if he is able to indicate when he might be in a position to table the report of the restrictive trade practices commission relating to the pricing and selling policies of certain pharmaceutical houses.

Hon. E. D. Fulton (Minister of Justice): No, I have no specific information on that matter. I know the commission is endeavouring to bring in its report as soon as possible, but I will make inquiries to find out.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, February 20, consideration of the motion of Mr. Rodrigue Bourdages for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, when the house adjourned last night I was dealing with the question of the export of hydro power generated in Canadian plants. I should like to make it quite clear that I am dealing with this subject in a very general way and that my remarks have no relationship to the specific and unique case relating to downstream benefits on the Columbia river. These benefits, Mr. Speaker, are a payment to Canada by power at site in compensation for the flooding of a beautiful valley in British Columbia. This flooding would be of no benefit to British Columbia unless the people of British Columbia received—

Mr. Speaker: Order. I am sorry to interrupt the hon. member, but I think our sound amplification system is not working well and I hope hon. members will dispose themselves to listen, because it is almost impossible to hear.

Mr. Broome: Thank you, Mr. Speaker. As I say, unless these benefits flow to the people of British Columbia, unless they are of value to the people of British Columbia then there is no excuse for the flooding of this valley. This question, of course, because of its peculiarity and its uniqueness, is the subject of negotiation between the federal government and the government of British Columbia.

My point, Mr. Speaker, is that the export of power should, I think, be considered in the same way as the export of any other commodity such as gas or oil, except that provision must always be made for the orderly recapture of this power as required by Canada. We do not export gas and oil except when there is a surplus to foreseeable Canadian requirements. The same policy should apply to hydro power.

At this session, Mr. Speaker, the Prime Minister has introduced the subject of a national power grid. Eventually this grid will be built and will bring advantages to all parts of Canada. However, this grid must be based upon hydro power because it will bring power from remote localities, where hydro power is usually developed, to large load consuming centres. Thermal power on the other hand, whether it be coal, oil, gas or nuclear power, is generated in plants adjacent to load consuming centres, and thermal power plants can be scaled in proportion to a particular need. As the load grows extra turbines can be added. By comparison, hydro installations usually result in very large blocks of power becoming immediately available. One cannot dam half a river. When a dam is completed and the reservoir is filled, then the power is available but local demand cannot use all this power. It can only use a small proportion of it.

It seems to me that initially much of such power will be available for export and, as I say, if it is controlled under a treaty or regulations established by the national energy board then the surplus power can be sold for a definite period of time and provision can be made for its orderly recapture. Thermal power usually involves high operating costs; hydro power has large capital costs and low operating costs. Now, however, the gap between power costs, comparing hydro with thermal, is closing. The increased cost of money and increase in transmission costs will ultimately increase the cost of hydro power, but if we wait until local demand can use all the hydro power at any particular site then I think we shall be losing a chance to develop a very real national resource.

We in British Columbia have some 33 million horsepower capacity of hydro energy which is undeveloped, and there is no reason why this hydro energy cannot be developed as markets are available and as prices can be secured which will cover the cost of carrying the new installations until such time as either local demand or the provision of a national grid will allow the marketing of this power in Canada.

I have been asked many times what the Conservative government has done for the people of Canada, and when from memory I have given only a partial list, invariably

I am then asked why we do not let the people know what we are doing. Evidently our press relations need improving, because the story of the real achievements of this government has not been fully understood.

When this government took over in June, 1957 we had already entered a recession. The famous hidden report of government economists, presented to the Liberal government in the spring of 1957, warned the government that all was not well with the economy of the country. Unemployment was rising, business was slowing down, exports were falling off, and it was time for strong government action to control these forces of recession. The Liberal government chose to ignore this report. They maintained their tight money policy, claiming that inflation was the real menace, not recession.

Looking back it is easy to understand how this happened. They had been in power during war years, first the second world war and then the Korean war. They then had no problem of unemployment. After the war there was the gigantic job of rebuilding Europe and satisfying the pent up demand for consumer goods. There was no problem in selling either at home or abroad. We could sell all we could produce and within reason at whatever price we wished to ask. It was a market where salesmen did not have to sell, they simply took orders.

By 1957 this easy selling era had disappeared and we were once again meeting aggressive competition in the markets of the world, and increasing foreign competition in our domestic market. Japan and western Europe had rebuilt their war-destroyed industrial power, and with active government assistance were increasing their sales at the expense of ours.

It is a fact of nature, Mr. Speaker, that when any species refuses to evolve to meet changing environmental conditions that threaten its existence, then that species disappears; and this, I suggest, can be applied to governments also. I do not mean to imply that the Liberal party is as dead as the dodo, the mastodon or the dinosaur, but their policy in 1957 was strictly for the dinosaurs.

In 1957 they offered a six bucks raise in the old age pension to stimulate consumer spending when they had a $300 million surplus. They offered nothing for housing, although housing starts had dropped to the lowest point in years and they had $150 million voted by parliament for N.H.A. loans which they would not release. They offered no aid to exporters, nothing to small business, no reduction in taxes, nothing except wartime thinking for a peacetime economy. Today the Liberal party says "Liberals have the answers", but the same leaders who say this today had none of the answers in 1957. Five years ago they had none of the answers; today they say they have them all. What a change in five years.

When this government took office the $150 million in the N.H.A. fund was immediately released. A few months later the total was increased to $400 million; in May, 1958 to $750 million; in March, 1959 to $1 billion; in March, 1960 to $1.5 billion, and in September, 1961 to $2 billion. Total amount of loans that may be made by approved commercial lenders was increased 50 per cent from $4 billion to $6 billion. Down payments on new homes were lowered to 5 per cent, which is $500 on a $10,000 home.

These bold moves led to unprecedented expansion in the housing industry, an easier road to home ownership for the average Canadian, and the provision of jobs for 1.5 million Canadians in construction and in manufacturing, supplying timber, cement, household appliances and furnishings, and the thousand and one items which go into a home. We have extended the scope of this program to include loans to build university residences, loans to municipalities to build sewage disposal plants and extensions to trunk sewers. The new Vancouver sewage disposal plant could not have been built without this assistance, and there are new residences going up on the campus of U.B.C. which could not have been built without this assistance.

In the field of social justice, payments to old age pensioners were increased to $55, and this month to $65. The same increases were applied to pensions for the blind and disabled, and for those on old age assistance. Residence requirements were lowered from 20 years to 10 years and old age pensions were made portable so they could be paid to those Canadians who live outside Canada for health or other reasons.

It may not be generally known that this government increased from 2 per cent to 3 per cent the proportion of revenue received from federal sales tax and personal and corporation income taxes earmarked to pay for old age pensions. The result was that in 1961 pension payments were $592 million and tax receipts to cover those payments were $603 million, leaving a surplus of $17 million. Under the Liberals the old age pension fund had a cumulative deficit of around $500 million. We are attempting to make this fund self-supporting and therefore payable as of right. Undoubtedly the recent increase will throw the fund into a temporary deficit position, but

the growth in our economy will provide increased revenue which will eventually bring the fund back into a balanced position.

In 1962-63 old age pensions amounting to some $737 million will be paid to 930,000 Canadians. This money will be spent for goods and services, and will provide a stimulus to the entire Canadian economy. In total all social justice payments have been increased from $1.3 billion in 1956-57 to $2.3 billion in 1960-61, an increase of 77 per cent.

The speech from the throne indicated the desire of the government to introduce a system of contributory and portable pensions. As reported at page 531 of *Hansard* the Minister of National Health and Welfare had this to say about this proposal:

> The second aspect of making adequate income provision for our senior citizens relates to the question of contributory old age survivors and disability insurance which, as indicated in the speech from the throne, is to be placed before parliament if the provinces view with favour a suitable amendment to section 94(a) of the British North America Act.
>
> The government's objective in this regard is clear cut. Our aim is to have an integrated program of old age income security which, in addition to the universal flat rate benefit, will provide a graduated benefit for all those who can reasonably afford further provision for their old age and who have not already undertaken it under private pension plans or other contractual agreements.

As the house knows, this government, through federal-provincial conferences called by the Minister of Justice, has been endeavouring to reach agreement on the question of having our constitution amended in Canada. This has been our hope. We now feel it is necessary to ask the provinces to agree to an amendment to the B.N.A. Act so we may proceed to carry out our decisions in this regard.

In another area very vital to Canada, what is our record in regard to export trade, because Canada is more dependant upon export trade than any other industrialized nation? At least one job in five depends upon export trade, and in British Columbia the ratio is even higher. Dealing with commodity exports only, the total for 1956 was $4.8 billion. In 1961, taking the latest figures available, October 1960 to October 1961, they were $5.7 billion, an increase of $900 million. In 1956 we had a trade deficit of almost $600 million, while in 1961 we will have a balanced trade with exports slightly greater than imports. Also, Mr. Speaker, as you know our trade will be at an all time record high.

This has not happened by chance, but because this government went out to aid our exporters in every way possible. We eliminated the exchange premium on the Canadian dollar and immediately made our goods more competitive in world markets. We provided export credit facilities to provide long term financing for capital goods exports, and we made $200 million available for this purpose. To date almost $186 million has been committed, and this session we have increased this fund to $300 million. These facilities allow Canadian manufacturers to sell fully manufactured goods on credit and meet the competition of foreign firms in this regard, particularly United States firms operating through the export-import bank. We are participating in more international trade fairs than ever before; we are sending overseas more trade missions than ever before, and our trade commissioner service has been told to get out and sell Canadian goods.

Any discussion of trade would be incomplete without a reference to the European common market and the strong possibility that Britain will join this association. As far as I am concerned, I believe that what is best for Britain's long range interests will also be best for Canada. I would prefer a strong Britain in the common market to a weak Britain outside. Many people have suggested that Canada should join the common market. The truth of the matter is that we cannot join the common market. As the Minister of Finance said in a speech to the Kiwanis club in Montreal on February 1, when referring to the European economic community:

> Six European countries seeking closer integration, partly for economic and partly for political reasons, signed in March, 1957 what has come to be known as the treaty of Rome, which provides for the establishment of their common market.

He went on to point out that this treaty applies only to European countries, although there is provision for associate countries to join the common market. These associate countries were originally the French community in Africa and underdeveloped countries whose products would be complementary to and would not conflict with European products. They are countries which are not industrialized. There is no provision for industrialized countries such as Canada to join the European common market and, as the minister went on to say when speaking to high ranking officials in Europe, "We cannot join, and we would not be welcome even if we tried."

Finally, Mr. Speaker, before I leave the subject of trade let me point out that not only is our export trade at a record high but we now have a more diversified trade pattern. We have markedly increased our exports to the United Kingdom, western Europe, South America and commonwealth markets other than the United Kingdom. Although the

United States is still our largest customer, all our eggs are no longer in one basket.

In regard to contributions to the provinces, it is a little known fact that up to March 31, 1961 the cumulative increases in federal contributions to the provinces and provincial institutions exceeded the cumulative budget deficit for the same period of time by almost $300 million. In other words, if these additional payments had not been made there would have been no deficit. For instance, payments to all provinces for hospital insurance this year will be $284 million.

Let us look at the picture as far as payments to British Columbia are concerned. In 1956-57 the Liberals contributed $7 million to the trans-Canada highway construction. This year we will contribute $17 million. By the time this highway is completed the federal government will have contributed over $100 million to the province of British Columbia, or about 25 per cent of all the money paid to all the provinces. An additional $40 million will have been spent on the highways and national parks in British Columbia since 1957. Yet the highway is plastered with signs leading the motorist to believe this is the work of the Social Credit government alone.

In the fiscal year 1956-57 the Liberal government gave just over $17 million in conditional grants to the province of British Columbia. In the present fiscal year this government will contribute over $70 million. Payments for old age security, family allowance, blind and disabled persons allowance, veterans payments, hospital construction grants, unemployment insurance, old age assistance, and so on amounted in 1956-57 to $137 million and in 1960-61 to $245 million, which includes $22½ million paid to British Columbia for hospital insurance for 1960-61. Just over $33 million was paid to British Columbia for hospital insurance prior to 1961, and in the 1962 estimates $26.4 million is provided for this same purpose.

Therefore by the end of the 1962 fiscal year British Columbia will have received over $82 million for hospital services. In the province of British Columbia we were already paying a 5 per cent sales tax, of which 2 per cent was earmarked for hospital services. When the federal government agreed to cover half of the costs of hospital services the premier of British Columbia indicated that the province was in a deficit position in regard to payments for hospital insurance, and that these payments from the federal government would be used to offset this deficit.

Well, the deficit has been far offset by now; yet there has been no reduction in our sales tax, and the money which is coming from the federal government to help pay the cost of hospital insurance in British Columbia is going into consolidated revenue to be used for whatever purposes the provincial government may wish to use it. I wonder how many Vancouver taxpayers know that each year this government has paid back to the provincial government, as a special grant, 50 per cent of the taxes collected from the B.C. Electric Co.

We have doubled the per capita allowance for university students. We have increased grants for hospital construction. We have brought in a ship building subsidy to help our ship building industry—a measure which is of major importance to the west coast. We have increased the capital of the industrial development bank to $400 million and made this money available as loans to small business. We held down freight rates by government subsidy to help, in particular, British Columbia and the maritimes.

All these measures, together with many others which I have not named, were aimed at stimulating the Canadian economy, increasing purchasing power, increasing exports and accelerating the development of our national resources. We were fighting unemployment and a sluggish economy caught in a typical North American recession.

Mr. Deputy Speaker: I regret to interrupt the hon. member, but his time has expired.

Hon. Paul Hellyer (Trinity): The speech from the throne is more notable for its omissions that for what it contains. It includes only passing reference to the great and important issues of the day. Not much is proposed in order to get Canada going again.

Dynamics of growth such as trade, industry and immigration, for example, are scarcely considered at all. The urgency of deciding on a defence policy for Canada is not realized. This view is shared by many thoughtful observers. For instance, the *Globe and Mail* of January 20, 1962, in an editorial entitled "The Uncertain Trumpet" had this to say:

> There was a general expectation in Canada this week that the speech from the throne opening what presumably is the last session of the present parliament would be a resounding election manifesto. It has proved to be nothing of the kind. It would be difficult to imagine anything further from a blast of trumpets. It is in fact, a curiously thin and inadequate statement from a government which must soon face the voters.

The financial editor of the Montreal *Gazette* takes a similar attitude in his column. On January 19 he is quoted as saying:

> A reluctance to come to grips with really basic issues is also apparent in the references to the British entry into the common market.

He was referring to the speech from the throne. The government's defence policy, or lack of policy, remains unchanged. There is no indication as to whether or not Canadian troops will be armed with atomic warheads.

However, the question is becoming increasingly urgent with the passing of the months since the last session of parliament ended. Since that time, Canada has acquired its first F-101 interceptors. The Royal Canadian Air Force has recently taken over operational control of the Bomarc station at North Bay; we are advised by the minister that it will be in charge of maintenance, heating and so on. Furthermore, an Honest John battalion has been sent to join our brigade group in Europe. In each case a decision has yet to be made as to whether or not these weapons will be armed with nuclear warheads. Two of them, at least, we have been told by the Prime Minister (Mr. Diefenbaker) only reached maximum effectiveness when so armed. We were told earlier, too, that there was, as an alternative, the possibility that they could be armed with conventional warheads. We have since learned, and it was really no surprise to us, that no conventional warheads have been designed, let alone are readily available for our armed forces. This is a ludicrous position. We are spending a lot of money for weapons systems which are now operational except for the fact that they are unarmed, and we are continuing to spend hundreds of millions of dollars for further weapons systems which are in the same category.

This lack of decision on the part of the government is extremely frustrating to our allies. I know that the United States government and the armed forces are thoroughly frustrated because they cannot get any decision one way or another from the Canadian government. I know, too, that our allies in Europe feel the same way. If a decision were made not to arm our armed forces with atomic warheads, at least that would be understood and the necessary adjustments would follow. On the other hand, if we should decide to arm them, that decision would be understood and appreciated. But the failure to reach any decision is altogether incomprehensible to our allies in NATO and Canada has become the laughing stock of the world as a result.

Discussing this question of atomic warheads yesterday afternoon, the hon. member for Calgary South (Mr. Smith) put forward his own policy in this respect or, at least, he stated that his policy was different from that held by frontbench members of his party. Closer examination leads one to wonder, however, where it is actually a third policy or whether it is just part of the same old confused policy. He said:

> After we have explored every possible avenue for working out a successful agreement we must then accept the advice of our professional military people. If they consider it is necessary to the defence of Canada that we have nuclear weapons, I believe we have no other course to follow. However, I emphasize that this should not be done until every avenue has been fully explored toward reaching a successful agreement on disarmament. The taking on of nuclear weapons prior to that would hopelessly prejudice any discussions or negotiations that might lead to a successful agreement.

That is quite a mouthful. How long does the hon. member think we should wait before a decision is made? How long does he think disarmament discussions will continue to take place? They have already been going on for years, but no concrete results have been achieved. Does he think we should wait another three years? Does he think we should wait another five? Unless the hon. member is prepared to state categorically the length of time he has in mind, his proposal makes no sense at all; it is in fact no different from the one put forward from time to time by other members of the government party.

Mr. Pallett: Does the hon. member have an alternative proposal?

Mr. Hellyer: Yes. I think a decision should be made one way or another.

Some hon. Members: Oh, oh.

Mr. Hellyer: This is a most urgent matter and it deserves discussion in more detail; I shall perhaps have an opportunity to go into it more deeply in another debate. But at the present time I urge the government who, after all have the responsibility under our system for making a decision, to announce its intentions in this regard.

What about the dynamics of growth. Has the government's immigration policy helped or hindered our national development? On April 5, 1957, at Toronto the Prime Minister promised a vigorous immigration policy to bring immigrants to Canada to increase the population. Later in the same month, on April 25, he indicated to the ethnic press association in Toronto that annual immigration up to 4 per cent of the population was feasible. This worked out to approximately 640,000 persons per annum. That was quite a vision, but the fulfilment has been something of a revelation. Immigration has been declining steadily. Last year saw the lowest number of people entering Canada in a decade.

On the other hand, emigration is increasing. More people are leaving Canada for their native lands and the United States. Most alarming of all is the fact that the people who are leaving Canada are those who have the most skill. We talk about the necessity of greater skill among our working force, yet the people who are leaving us by tens of thousands are those who have the greatest skills. These are the people we most urgently need if our country is to grow and develop.

Why are they leaving in such large numbers? Why does this trend accelerate? How

can it be reversed? I think one of the reasons for its acceleration must be the lack of challenge in this country. It must be the lack of faith these people have in Canada. If it were otherwise they would not leave but would stay and assist as best they can in the development of this nation.

I think the problem was aptly summed up by the late Judith Robinson in one of her columns in referring to the summary fashion in which the cancellation of the Avro Arrow was undertaken by this government when she said the tragedy to her was not the cancellation of a particular project but the loss of faith of a whole generation of young Canadians in the future of their country. This, Mr. Speaker, is in fact the real tragedy, one which has not yet been overcome.

There is little indication that the government has given much thought to the relationship between interest rates and economic growth. This is a subject which merits study. What is the relationship between government deficits and interest rates? At the time of the election in 1957 one of the things we were not promised was deficits. Speaking at a press conference in Saskatoon on May 27, 1957 the Prime Minister included among his promises the following:

> John Diefenbaker said today a Progressive Conservative government could carry out its declared policy, reduce unnecessary taxes "and still do it on a balanced budget".

Mr. Martel: We reduced taxation by 42 per cent.

Mr. Hellyer: The hon. gentleman claims that taxation was reduced. Total taxation has certainly increased and the deficits we were not promised have been growing in total. The inference of this and other statements made by the Prime Minister at that time was that we would have Diefenbaker, not deficits. Well, Mr. Speaker, we hit the jackpot, we got both.

There are important questions to be answered. Why does the level of unemployment remain so high? Why is the rate of growth of the labour force declining so rapidly? The statistics are interesting. For example, between 1956 and 1957, January to January, the growth in the labour force was 202,000, between 1957 and 1958 it was 195,000; between 1958 and 1959 it was 99,000; between 1959 and 1960 it was 127,000; and between 1960 and 1961 it was 193,000. In January of 1962 the growth stood at only 13,000. There has been a dramatic decline from a growth of between 100,000 and 200,000 per year to an annual growth of only 13,000 people. Where have they gone? What has happened to them? Are they all going back to their native lands or the United States? Are they too discouraged to remain in the labour force? Perhaps some of them are remaining at school for a longer period of time. It is to be hoped that is so, but it would be interesting to know.

Mr. Chambers: Perhaps the birth rate has something to do with it.

Mr. Hellyer: The hon. member would be in a better position than I to judge that.

One of the most important failures of the speech from the throne was its failure to indicate any positive initiative toward the far reaching re-organization of world trading patterns. There was no evidence of a change of heart on the part of the government. There was no evidence of the emergence of a realistic attitude. There was much evidence of a negative, obstructionist and unyielding attitude at Accra and since.

One does not have to look far for the reports and I wish to mention just two or three. The Ottawa *Citizen* of September 14 last carried the following news item datelined Accra, Ghana:

> Canada has warned Britain that she cannot be the leader of the commonwealth and a member of the European common market, too.
>
> In an emotional intervention at Wednesday's session of the commonwealth economic consultative council, finance minister Donald Fleming said an eloquent requiem for the system of trading preferences that has bound the British nations together for a generation.

On the same day a Canadian Press dispatch was carried in the Ottawa *Journal* datelined Accra:

> Finance minister Donald Fleming of Canada said Wednesday the United Kingdom is irretrievably "launched on a slippery slope" to membership in the European common market. As a result the commonwealth will never be the same again.

Mr. Clark Davey, the *Globe and Mail* correspondent wrote in that paper on the same date:

> Commonwealth members, with Canada's trade minister George Hees making the keynote speech, emphatically told Britain today that she must choose between the European common market and the commonwealth.
>
> In an uncompromising statement to the commonwealth economic conference here, Mr. Hees presented what amounted to a flat Canadian demand that Britain not join the common market.

Canada had expected more, Mr. Speaker. We had hoped for something positive. We hoped our ministers would go there to preserve as best they could the real interests of Canada and the free world. Many were dismayed at the attitude displayed by the representatives of the government at that time. This was well summed up by the *Globe and Mail* on October 3, 1961 when it stated editorially that Canada had expected more from its representatives at Accra.

The attitude of this government seems to be typical of Tory attitudes throughout the generations. It is not unlike the attitude of

the late R. B. Bennett in the thirties. It might interest hon. members to know that in the book "Neville Chamberlain" by Iain Macleod, at page 161, there appears an extract from a letter written by Chamberlain to his sister on August 21, 1932, from Ottawa, at the time of the imperial conference. The extract is as follows:

> In spite of the anxieties they caused us I have no complaint to make of the Australians or New Zealanders. They had to think of the difficulties of their own people . . . They were quite straightforward about it.
>
> Bennett was a different proposition. He alternately blustered, bullied, sobbed, prevaricated, delayed and obstructed to the very last moment.

I am sure that the same attitude Mr. Chamberlain observed at that time on the part of the Tory government of that day was displayed by our representatives at the Accra conference. Canadians generally favour Canadian participation and British participation in enlarging the trading area. On numerous occasions this has been voiced by many leaders in the industrial and commercial world. I should like to cite just two or three examples. Mr. John Meyer, the *Gazette* financial editor, is reported as follows:

> Uncertainty about Canadian policy towards the European common market was described last night as one of the strongest inhibitions on economic growth.
>
> John Meyer, financial editor of the *Gazette*, told the Montreal chapter of the national office management association, that a decision in favour of applying for an associate membership in the common market would do more to prolong the present recovery than any other factor.

Another distinguished gentleman is reported as follows:

> Moncton, N.B.—Eric W. Kiernans, president of the Montreal and Canadian stock exchanges, said Thursday night it is time for Canada to shake off its unnatural conservatism and to apply for associate membership in the European common market.

Later on he says this:

> Emotional exhortations about the traditional ties that bind the commonwealth countries will have little effect on the hard decisions that must be made by Great Britain and by ourselves.

In another article from the *Gazette*, entitled "Bankers for Most Canadian Businessmen" the following report appears:

> G. Arnold Hart, A. T. Lambert and F. William Nicks—the presidents respectively of the Bank of Montreal, Toronto-Dominion Bank and Bank of Nova Scotia—not surprisingly, make much the same point in their addresses to annual meetings. They emphasize the urgency of being realistic about Britain's application for membership in the common market—Mr. Hart: "A positive approach . . . instead of merely opposing changes from existing arrangements;" Mr. Lambert: ". . . exploiting the opportunities . . ." rather than "negative reaction of dismay"; Mr. Nicks: ". . . face realistically the changes that have taken place in Europe and seek ways of adapting ourselves to them."

[Mr. Hellyer.]

These are typical of the reactions of business leaders from coast to coast. They are outward looking. They are forward looking. They know that Canada must take a positive initiative and not continue, as it has been doing, on a negative course. When the Minister of Finance (Mr. Fleming) returned to Canada and found that people here were making statements along this line and that Canadian public opinion was not what he had expected while he was away, he accused the opposition of using the big lie tactics in referring to what he and the Minister of Trade and Commerce had said. I have in my hand a newspaper report headed: "Fleming Hits 'Big Lie' Use by Liberals". It reads in parts as follows:

> Toronto—Finance Minister Fleming accused the Liberal party last night of using "big lie" tactics in attacking the government's position regarding Britain's possible entry to the European common market.
>
> Mr. Fleming said there has been "distortion" of the position taken by Canada at the recent commonwealth economic conference at Accra, Ghana.

This is a serious charge, Mr. Speaker. Just to set the record straight I should like to read to you what the Minister of Finance had said just a few days previously in London. I have in my hand a press report headed, "Accra Statement 'Underplayed'—Fleming Raps Market Plans—With Greater Emphasis". It is by Duart Farquharson, of the *Journal* London bureau and it reads in part as follows:

> The head-on clash between Britain and the overseas commonwealth countries at the Accra finance ministers meeting was not exaggerated but underplayed by the British press, according to Canadian Finance Minister Fleming.
>
> To set the record straight, Mr. Fleming last week called in leading British correspondents covering the international monetary fund meeting in Vienna. With great emotion, he argued that commonwealth countries were unanimous in their condemnation of Britain's attempt to join the common market. They were not merely striking up bargaining postures, but sincerely believed that such a British move was bound to result in the disintegration of the commonwealth.

That is very strong language, Mr. Speaker, and it is in direct conflict with what the Minister of Finance said in Canada a few weeks later. It is necessary to check because the minister, when he accuses the opposition of using "big lie" tactics is just refuting the facts which he himself so carefully put on the record. It reminds us of his performances in this house on other occasions in the not too distant past. We are really shocked at his short memory.

Is a change coming in the government's position? Many people have thought so and there were some indications that this was so. But now it is obvious that the government has not really changed its attitude. This is reflected in reports based on the speech from the throne and subsequent interrogation in this

house. I wish to refer briefly to two press reports. One is from the *Gazette* of January 15:

> The Canadian government, though reiterating support for freer world trade, hasn't committed itself to joining the proposed United States attempt to get major reductions in world tariff barriers.
>
> That was made evident Saturday at the close of two days of informal trade talks between cabinet members of the two countries.

Then in an editorial which appeared in the Halifax *Chronicle-Herald* of February 2, 1962, under the heading, "Negative Still?" we find the following:

> Despite its protestations to the contrary, it seems apparent that the government still has no positive policy towards Britain's proposed entry into the European common market, and that it is not yet giving the vigorous leadership the situation demands.

This is most unfortunate, Mr. Speaker, and it is a matter of concern that the government is still negative in its position. It must change. It must adopt a more liberal attitude or Canada may be left as a tiny island isolated from the main stream of world events. The problem—encompassing some of the things about which I have spoken, such as interest rates, immigration, deficits and world trade—is to get Canada growing again. This is the problem which was not faced in the speech from the throne.

There is a growing awareness in Canada that our economy is falling short of its potential. The evidence is all around us, with high levels of unemployment despite the absence of a recession, and an actual decline of the order of 4 per cent since 1956 in the per capita production of goods and services. This evidence corroborates the increasing gap between what we produce and what we can produce. This chronic slack is at the root of our present economic difficulties. To draw attention to this gap is not to wallow in doom and gloom but to emphasize the extent to which we are currently failing to achieve our great potential.

No one can put a price tag on human dignity, humiliation, and frustration at not being able to earn a living. This is one of the incalculable costs. There are, however, two other costs involved which can be measured. First is the cost of carrying the unemployed. Some insight into the magnitude of this cost can be derived from the $900 million depletion of the unemployment insurance fund since December of 1956, and the $250 million spent as the federal share of unemployment assistance schemes financed jointly with the provinces. Much greater is the cost in terms of goods and services that could have been produced had we been able to reduce unemployment as a percentage of our labour force since 1957 to the post-war average, between January 1946 and June 1957, of 3.3 per cent. Since June, 1957, unemployment has averaged 6.2 per cent.

Nor do these levels of unemployment in themselves adequately measure the lack of growth in our economy. Much of the lack of growth is hidden in the short hours worked and in the failure to achieve the levels of productive efficiency that accompany operating at full capacity.

During the entire post-war period, 1946 to 1956, Canadians produced on the average 4.5 per cent more goods and services each year than in the previous year. If this trend had continued through 1961, we would have produced $5.2 billion more than last year. If this had occurred, Mr. Speaker, we would have a surplus now instead of a deficit. This would amount to $100 million a week more goods and services produced than we did in fact produce. No nation can take any satisfaction out of falling that far short of its proven capacity.

Even though the production has been lost, the potential remains. Canadian workers still possess the skills and the drive they exhibited during the post-war era. There has been no excessive depletion of our natural resources. The only resource we are wasting is time. The Canadian economy, since this government has come to power, has been marking time.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but his time has expired.

Mr. J. R. Keays (Iles-de-la-Madeleine): Mr. Speaker, as an introduction to my participation in this debate, may I be allowed to associate myself with those who have expressed warm words of congratulation to the mover (Mr. Bourdages) and seconder (Mr. Browne, Vancouver-Kingsway) of the address in reply to the speech from the throne. Their contribution constituted a truly comprehensive review of the beneficial effects to our economy resulting from the actions taken by this government.

May I at the outset refer to a speech made in this debate by the hon. member for Kent, New Brunswick (Mr. Michaud), truly a great friend of mine. I should like however to endeavour to set the record straight as it relates to a few things he mentioned. He did refer to the fact that there were rumours the fishermen were being taken out of the unemployment insurance fund. There is definitely no reason for alarm, Mr. Speaker, but it is unfortunate that rumours such as this one do instil fear in the minds of these brave fishermen who, as every hon. member of this house knows, earn their living in a rather difficult way.

The unemployment insurance fund was established some 20 years ago at a time when conditions were vastly different from those existing today. The coverage of the fund has been extended, and as a result the complexities have been increased. However, this government is aware of the situation and, as in all other cases, has taken action by creating a commission of inquiry to study the effects of seasonal employees on the fund, and to decide upon some other method of taking care of the needs of these seasonal employees. All the members of this government who were in oppsition when the fund was established were aware of the complexities which would develop with the administration of the fund. They were also sure it would not be possible to continue operating the fund on a sound actuarial basis because, as the Minister of Labour (Mr. Starr) mentioned, humanitarian reasons compel certain actions. The results have been contrary to the arguments of the mathematicians.

It is also well to bear in mind that since 1957 fishermen have contributed about $5,554,000 to the fund in payments and have received benefits in the amount of $44,706,000. There are also other categories of seasonal workers, such as the inland water transport workers and the loggers. The contributions from logging and lumbering amounted to $4,046,592, and benefits paid amounted to $30,289,530. Although a study is now being made, I certainly would not wish the fishermen to believe there is any danger they are going to be excluded from the benefits of this fund. The study will probably result in the creation of a special fund for seasonal employees. Alternatively, a new fund might be created that would give an incentive to work and an interest on the part of these employees in setting up a savings fund to be matched by the government and the employer.

The hon. member for Kent also referred to the grants made to the province of Newfoundland, to the fishermen of Newfoundland. I do not believe the premier of New Brunswick took the same action as the premier of Newfoundland. Perhaps he is not concerned with the plight of the fishermen and did not ask for the co-operation and help of the federal government. I believe this answers the inquiry: the province of Newfoundland was concerned with the fishermen while New Brunswick and Quebec were not.

I believe, Mr. Speaker, we should now look at the economic situation in our country. After all, the barometer of success or failure of an administration in this respect is our gross national product, which is the yardstick for measuring the total amount of goods and services produced in a country. In order to look at this we must make a comparison, and I shall do so by comparing 1956 and 1961. Our gross national product in 1956 amounted to $30.6 billion and in 1961 to $37.4 billion. In other words, there was an increase of 22 per cent over 1956. With the last quarter of 1961 going at the rate of $39 billion, we can expect an increase in 1962 of 7 per cent or 8 per cent, bringing the gross national product of 1962 to $40.2 billion. As I have said previously, this is the barometer of success or failure and I believe that every hon. member of this house will admit such an increase would indicate the success of this administration. By any gauge surely we can all agree that this result has been phenomenal and that the economy is in high gear. Again, for the sake of comparison, let us return to 1956, although I hate to turn back for such proof.

In 1957 the government of the day had a surplus budget of $257.5 million. This large surplus was the result of post-war activities and was due to increases in exports to those nations devastated by the second world war and the Korean war. In Europe the industrial plants had disappeared. Facilities of production were completely wiped out and a whole rebuilding job had to be done. Much of that surplus was also brought about by filling orders for export, thus causing more employment at home and creating higher domestic purchasing power and consumer spending. However, although this was a nice budgetary surplus I often wonder why it was allowed to be wasted. By the norms of any good administration, part of the surplus could have been put to better use.

When we repair the roof of a house we repair it when the sun is shining, and it was in those days that action should have been taken by the government to prepare for the following years. Instead, the government was satisfied to sit back, become lazy and complacent. Was there no incentive to look ahead? Had the government done so at that time it would have seen the darkening clouds approaching, bringing in their path the evils of unemployment and suffering. Had the manifesto or economic program which we hear so much about today been brought out in 1956—but no one ever heard of such a thing in those days—possibly we would not have had to face the economic ills of 1957 and 1958.

Mr. Hellyer: You mean the government would not have changed.

Mr. Keays: What was that?

Mr. Hellyer: Will the hon. member permit a question?

Mr. Keays: After I am through. Let us look at Germany, France and Italy, those burgeoning, fast growing and full employment countries. They have not taken everything for granted. They are not reclining, sitting back on their laurels satisfied with their present full employment and productivity. They are working harder than ever helping business to expand, assisting to increase exports, and increasing per capita production. During their prosperous years they did not impose overtaxation, draining revenues from their corporations and impeding progress. They are using their revenues to advantage, climbing toward higher levels and thereby playing a useful part in assisting industry with technical help, monetary facilities and encouragement.

It is interesting to note that the gross product of the six countries in the common market rose last year by 6.5 per cent. Trade within the community expanded by 45 per cent since the treaty of Rome went into operation, and their exports, taking all six together, increased over 50 per cent in the same year. This was the result of the planning undertaken in those countries while business was good and where surpluses were used to advantage.

What did the Conservative government do in 1957 when faced with this unpalatable situation? They went to work through the able Minister of Finance, the Department of Public Works, the Department of Labour, the Department of Trade and Commerce and the Department of Agriculture. Public works programs were immediately set in operation to alleviate the serious conditions of that time. The government increased the housing program until today we have reached the point where we are the largest builders per capita in the world in this field. It represents 18 per cent of our gross national product as against 11 per cent in the United States and 8 per cent in the United Kingdom.

The Department of Labour by extension of the benefit periods, by aid to the provinces for vocational training, by a contribution to trade schools whereby competent people were trained to meet the changes caused by automation and advanced technology helped to bring about a situation in which production of commodities never before manufactured in Canada has been achieved.

The Department of Finance, by lowering the exchange rate on the Canadian dollar provided the main stimulus for an upturn in our economy and a consequent, eventual balanced budget. That department also helped by providing greater loans to small businesses, and by extending the lending facilities of the industrial development bank and by guarantee loans to fishermen and farmers.

With the assistance of the Department of Trade and Commerce bold and imaginative measures were undertaken, such as the promotion of regional trade conferences which have now awakened Canadians to the possibilities of export. The department has also provided export facilities and has assisted in the creation of a productivity council, a body of proven administrators, the aim of which has been defined by its chairman, George DeYoung, as making industry more remunerative, more rewarding for the four groups affected by it—owners, employees, customers and the government. This council has also brought about a change in the thinking of some of the leaders of government, as indicated in the baby budget. It has also brought about a new thinking on the part of some of the industrial leaders in both primary and secondary industry, and there has been a change in the thinking of some of the senior leaders of labour who have been most helpful and co-operative in the establishment of this council.

What a tremendous amount of work has had to be done. Mr. Speaker, could you visualize the past administration willing to undertake that task? They would have given up the ghost long ago. It took a party with a true Canadian spirit and a national history of confidence and vigour, a party with fingertip feeling, faith and confidence, clearness of mind and decision of purpose. The task is not completed, and the results of past undertakings are the incentives to take Canadians to greater heights, to full employment and prosperity.

Mr. Hellyer: Would the hon. member accept a question now?

Mr. Keays: Certainly.

Mr. Hellyer: Is he aware that the $268 million surplus in 1957 to which he referred was already committed for increases in pay for the armed forces and the civil service of Canada, and to pay for the health insurance program which had been put on the statute books by the previous administration?

Mr. Keays: Mr. Speaker, it was $257.5 million. I think that if a part of this surplus had been used for preparing for the future we would have had more balanced budgets afterwards.

Mr. Hellyer: It was all committed.

(Translation):

Mr. Gaston Clermont (Labelle): Mr. Speaker, I think I should follow the good and es-

tablished custom of congratulating the mover and seconder of the address in reply to the speech from the throne, the hon. member for Laval (Mr. Bourdages) and the hon. member for Vancouver-Kingsway (Mr. Browne).

I would also congratulate you, sir, on your appointment as Deputy Speaker of this house, and also the hon. member for Quebec South (Mr. Flynn), for receiving a call to the cabinet, as Minister of Mines and Technical Surveys.

Mr. Speaker, in the speech from the throne, the government seems to take credit for the slight improvement in our political economy. Hence, it should also assume responsibility for the slumps we have known at other times.

We might recall, Mr. Speaker, that, during the elections of 1957 and 1958, supporters of this government alleged that the spending of the Liberal administration was too high and that, if they were chosen to look after the business of this country, they would cut expenditures by at least $500 million.

Let us now look at the results of that promise, Mr. Speaker. The last estimates of the Liberal government in 1957 provided for $4.8 billion, whereas estimates of this government for the year ending on March 31, 1962, show an amount of $6,123 million.

They had promised to reduce taxes and interest rates.

The Prime Minister had said that he would lower taxes by $120 per family, and then he increased them by $36.

The Conservatives had promised to balance the budget while reducing taxes. Now, this is what really happened, Mr. Speaker, since the Conservatives have been in power: taxes have risen by over $150 million a year, and they submitted four deficit budgets, while another one is forecast for March 1962.

From 1946 to 1957, the national debt went down by $2.4 billion, under a Liberal administration, while during the four and a half years of Conservative administration, it rose by almost $2 billion.

In 1958, Mr. Speaker, we had a deficit of $38.6 million; in 1959, another deficit of $632 million; in 1960 there was again a deficit of $413 million; in 1961 of $340 million and, in 1962, the deficit will be about $700 million.

Our gross debt, which, in 1956 was $19,124 million had risen to $20,986 million in March 1960. The interest paid on the debt in 1956 amounted to $492,624,000 and, in 1960, to $735,630,000. The interest per capita was $31.38 in 1956, as compared to $42.17 in 1961. The national debt per capita stood at $664 in 1957, while it reached $688 in March 1961.

Mr. Speaker, they had given the assurance that no Canadian would have to suffer from unemployment. We know what happened to that promise.

In June 1957, when the present government took over the nation's business, there were 197,000 unemployed. On March 22, 1958, 597,000 Canadians suffered from unemployment. On March 19, 1960, the number had reached 609,000. On February 18, 1961, the unemployed numbered 719,000, the largest figure since the thirties when the country was "administered" by a Conservative government under the Right Hon. Mr. Bennett. On March 18, 1961, 705,000 were looking for work. For the week ending January 13, 1962, we had 545,000 unemployed.

During January 1962, there was a slight improvement as compared to the corresponding month in 1961, but the decrease can be partly explained by the unusual number of workers who left the labour market.

In January, the labour force had only increased by 13,000 people as compared to a year earlier.

Mr. Speaker, we note that the unemployment insurance fund was depleted of the $900 million we had in June 1957.

What steps did the government take to cope with unemployment, especially since it did not admit before September 1960 that there was unemployment in Canada. None, save the winter works program which has often been described as inadequate by the opposition. Recently, in another debate, I showed that the contribution of the federal government to the winter works undertaken during 1960-61 only amounted to 12 per cent, while municipalities contributed much more, that is 78 per cent of the costs.

The speech from the throne provided nothing, no efficient assistance to cope with chronic unemployment, especially as it affects certain areas.

Mr. Speaker, I should like to quote from an editorial published in the Toronto *Star* on February 13 last, to show what the Australian government intends to do in order to solve the two major domestic problems facing that country.

(Text):

Canberra Acts, Ottawa slumbers.

Australia has two serious domestic problems—unemployment and economic stagnation. These are the two domestic problems that afflict Canada.

(Translation):

And the editorial goes on to say, Mr. Speaker:

(Text):

Income tax will be cut 5 per cent.

Unemployment benefits will be raised 10 per cent for single men, 20 per cent for men with families. The federal government will make large scale loans to the state (i.e. provincial) governments for public works.

(Translation):

A little farther on in the same article, Mr. Speaker, one can read:

(Text):

Why doesn't Ottawa follow the example of Canberra? Why doesn't the Canadian government devise and proclaim a broad program to make jobs, to ginger up trade, production and investment, to restore confidence in the economy?

(Translation):

Concerning agriculture, the Prime Minister made the following promise at Massey hall, in Toronto, on April 27, 1957:

We shall see to it that the farmer gets his fair share of the national income, by maintaining a flexible program of price support, in order to guarantee him a share of the satisfactory prices for agricultural products based on an equitable relationship between sale prices and the cost of production.

I now wish to read the preamble of the Agricultural Stabilization Act passed by this parliament in January 1958:

Whereas it is expedient to enact a measure for the purpose of stabilizing the prices of agricultural commodities in order to assist the industry of agriculture to realize fair returns for its labour and investment, and to maintain a fair relationship between prices received by farmers and the costs of the goods and services that they buy, this to provide farmers with a fair share of the national income.

Mr. Speaker, I am sure that the farmers did not forget the Prime Minister's words, nor the preamble of the Agricultural Stabilization Act. There is no doubt that farmers have not yet received their fair share of the national income. There is no equitable relationship between the prices that Canadian farmers get for their products and the cost of goods and services they buy.

Mr. Speaker, I should like once again to draw the attention of the government to the major problem facing dairy farmers in Canada, that is the stocks of butter, including clarified butter, and the per capita consumption of that product.

In 1956, butter consumption was 19.50 pounds per capita, while it is estimated that it will be less than 16 pounds in 1961. In December 1960, the stocks of butter, including butter oil, were 150 million pounds. At the same period of 1961, we had 200 million pounds.

Mr. Speaker, at this point of my remarks, I should like to draw to your attention the fact that the Secretary of State (Mr. Dorion) stated yesterday, at page 1065 of *Hansard*, that the act passed in July 1961 by the Quebec provincial legislature allowing the sale of margarine was partly responsible for the increase in stocks.

I can hardly accept that statement if I compare it with the one made by Mr. Jean Baptiste Lemoyne, president of the U.C.C., on October 16, 1961, as reported in a newspaper item in *La Presse* of October 17, 1961. I read:

Paradoxically, the sale of margarine has decreased in Quebec since the act making such sale legal was put into effect in early summer.

This was disclosed during a press conference last night by the president of the U.C.C. Mr. Jean Baptiste Lemoyne.

He was then answering a question about his organization's reaction to that legislation.

That legislation has improved the climate which had prevailed until then in that sector, he explained. Also, in spite of the enormous publicity that has been made since July 1, around that product, the quantity sold to the people of Quebec, far from increasing, has gone down.

Mr. Speaker, we know that when that legislation was proposed in the Quebec legislative assembly, it was supported by the U.C.C.

Those accumulated butter surpluses are causing concern within the dairy industry. That is why, at their convention held in Montreal, during the week of January 20 last, the Canadian federation of dairy producers sounded the alarm and appealed to all those who can and must contribute to find a proper solution. Here is what Mr. Paul Henri Lavoie wrote, in an editorial of the weekly *Terre de Chez Nous*, of January 24, 1962. That article is entitled "The dairy problem: Ottawa cannot brush it off".

And what must we expect from the Ottawa government? A contribution at least equivalent to its share of responsibility for the situation.

A little further, we read the following:

The federal government must have a very heavy conscience on account of its sins of omission in that regard.

And still a little further on, Mr. Lavoie wrote:

Around 1957, when consumers were paying a slightly more reasonable price than they are today for their butter, consumption remained at about the same level, and the need was even contemplated of resorting to some imports, as a result of a decrease in production.

Mr. Lavoie also added:

The example of other countries, where a decrease in the consumer price of butter has increased its sale, should have spurred to action.

Here are, Mr. Speaker, some of the recommendations contained in the brief submitted by the Canadian Federation of Agriculture, of which the Quebec U.C.C. is a member, to the

Prime Minister of Canada and to the members of his cabinet, on February 7 last, which might help to solve immediately the problem of surpluses. I quote:

(Text):

(1) To halt and reverse the decline in butter consumption by reducing the price to consumers by 14 cents a pound. This is designed to increase consumption so that current production of butter, and over a period of time the butter surplus, will move into consumption in Canada.

(2) To maintain the butter support to the producer at its present level of 64 cents a pound by means of deficiency payments that fully compensate for the proposed reduction in the market price.

(3) It is proposed that a price support of 12 cents a pound be placed on skim milk powder. The virtual disappearance of a return to producers for skim milk powder is an absurd situation. This policy proposal may well result in some accumulation in government hands. We would very strongly emphasize however, that there is no product more needed by, and more suited to the needs of undernourished people of the world than high protein milk powder.

(Translation):

In our trade relations with other countries, at the time the Liberal party was managing our affairs, we were the foremost country in the world, per capita. In 1957, we occupied the second place, in 1959, the third place and, in 1960, the eighth place.

In the field of export trade, we are not the fourth trading country of the world any more, but the fifth. World exports have increased by 21 per cent since 1956, while Canadian exports have increased by only 11 per cent.

Our national production has increased by only 1.7 per cent during the last five years, whereas it had gone up 4.6 per cent during the last five years of the Liberal administration. In 1961, our per capita production was actually lower than the one five years before.

Mr. Speaker, the speech from the throne reveals no coherent program which would indicate that the government is conscious of the new and important trade policies in Europe.

It is most important for Canada that the government reorganize our economy in relation to the common market. If Great Britain were to join the European economic community, not only our agricultural products but our forest products as well would be in trouble as far as their sale is concerned. The importance of our forest industry for Canada's economy is well known.

Last year, the Canadian pulp and paper manufacturers' association sent a trade delegation to Europe to examine the potential market for their products.

Our farmers and the owners of our lumber mills do not have the same facilities and resources to send such delegations. In 1958, there were 5,769 saw mills of all kinds in Canada. That is why the government must show leadership, imagination and daring to protect the markets of those two industries on the European continent.

At this stage of my remarks, I should like to quote two articles. The first, which was written by the chairman of the Canadian pulp and paper manufacturers' association, Mr. Fuller, is entitled, "Trade and Decisions" and reads as follows:

(Text):

Trade and Decisions.

(Translation):

I quote:

(Text):

My concern at the moment is whether we really know where we want to go and have any sufficient roadmaps to get us there. It is a choice between exciting opportunities for growth; and stagnation. And the world will not wait for us to make up our minds.

(Translation):

The second article I should like to read into the record comes from the Canadian Federation of Agriculture. I quote from the Ottawa *Citizen:*

(Text):

When the Canadian Federation of Agriculture presented its brief to the annual federal-provincial agricultural conference in November, the national organization welcomed rather than decried Britain's move to join the European economic community. It believed the long run advantages to Canada and to Canadian farmers would outweigh the short run disadvantages. The C.F.A. said, of course, that every effort should be made in the negotiations to safeguard Canada's export markets for farm products.

(Translation):

Mr. Speaker, it will have cost the Canadian people $3,126 million in additional expenses on current revenues to have followed the Prime Minister toward new records; and we know, Mr. Speaker, what records we have reached.

Mr. J. Edgar Fournier (Restigouche-Madawaska): Mr. Speaker, I greatly appreciate the honour and the privilege of taking part in the debate on the address in reply to the speech from the throne.

I have no intention of repeating all the wishes and congratulations offered to the mover Mr. Bourdages (Laval) and seconder Mr. Browne (Vancouver-Kingsway) of the address in reply to the speech from the throne. I will say, however, that I approved of the appointments made by the Prime Minister.

The speech delivered by His Excellency the Governor General at the opening of the 24th parliament is all to the credit of our dedicated and generous leader, the Prime Minister (Mr. Diefenbaker).

It is easy to see that our opponents, harassed by political fever and the fear of facing the people at a forthcoming election, are

striving by every means, without any consideration for truth or for the good of the Canadian economy, to condemn the progressive proposals found in the speech from the throne.

I think that in order to be a real member of parliament, an hon. member must be broadminded so that he can recognize and even accept any measure which serves the public weal.

Of course, it is the function of the opposition to criticize the government's policy, but criticism must be constructive and not done only to destroy or to satisfy ambitions based on political expediency. If we want to preserve the integrity, the dignity and the value of our democratic system, we must act accordingly.

One thing I find strange and perfectly ridiculous is to see our hon. friends opposite accuse the government of not doing what they themselves neglected to do during the 22 years they were in power, 22 years of suffering for the Canadian people.

Speaking of years of suffering, would some members of a political party dare consider the period between 1939 and 1944, that is the deplorable years of the second world war and the years of reconstruction and rehabilitation which followed, as years of prosperity due to a Liberal administration? Have they already forgotten the suffering and the horror of the Korean war?

It is unfortunate, Mr. Speaker, that a certain political party is unable to distinguish between the efforts of a whole nation to protect its freedom and the periods of readjustment which always follow the upheavals caused by modern wars.

It is distressing to have to remind a certain political party of events which caused only sorrow and have left painful memories in practically all Canadian families. This political party claims and even boasts that such periods of prosperity are due to its own efforts. I should like, Mr. Speaker, to show him the skeleton of what his administration was like.

Have they forgotten already the biggest political scandal, the greatest drama ever seen in this house where we are now. This scandal happened under a Liberal regime, and I am convinced that many hon. members who are here, at this moment, and who are aware of all the facts as well as I am, will want to boast about this event and see in it an honourable achievement of the Liberal party. I wish to go back to the year 1946 and to refer to the Gouzenko case and to a certain Mr. Rose, member for Cartier, who sat with the Liberal government while he belonged to the N.K.V.D., the Russian espionage organization.

Mr. Bourget: Mr. Speaker, on a point of order—

Mr. Fournier: Mr. Speaker, if that scandal had taken place under a Conservative administration, we would have heard about it again and again but you know, everything is perfect.

Mr. Bourget: Mr. Speaker, I rose on a point of order.

Mr. Speaker: The hon. member for Levis rises on a point of order.

Mr. Bourget: I regret to interrupt the hon. member in view of the fact that he is a newcomer to this house. He was not here, of course, at the time of the Gouzenko incident. I must remind him that, at the time, Mr. Rose was not a member of the Liberal party. Therefore, I want to point that out to him so that he will be in a position to put forward the facts as they happened. I should not like him to assert that the scandal was due to the Liberal party when he knows very well, or if he does not know, it gives me pleasure to inform him, that Mr. Rose—

Mr. Speaker: In my opinion, the hon. member for Levis has shown that his point of order was justified. I now recognize the hon. member for Restigouche-Madawaska.

Mr. Fournier: Mr. Speaker, on the opening day of the session, last January 18, I was surprised at the attitude of the members of the new party, called the New Democratic party—N.D.P. The same letters could be used to call it the new demolished or dismembered party. As I was saying, I was surprised at the attitude of the members of the new party with regard to the appointment of my colleague, the member for Pontiac-Temiscamingue (Mr. Martineau), as chairman of the committee of the whole. I wonder if that attitude does not reflect the statement made by the C.C.F. member for Port Arthur (Mr. Fisher) at Laval University in Quebec city.

I should like to take this opportunity to thank my hon. friend who so brilliantly explained the stand of his party before the people of Quebec and French Canadians generally. That statement will long be remembered by the French-speaking people of Quebec and other provinces.

Mr. Speaker, with the increase in welfare services mentioned in the speech from the throne, I am justified in stating that the government is generous.

I remember so well our opponents' roars during the federal and provincial elections, particularly in 1948, 1950, 1952 and 1953, when they persisted in yelling that a Conservative vote was a vote against old age pension increases, and would lead to the suppression of all social welfare services.

What a contrast, Mr. Speaker. The roars only brought a six dollar increase whereas the government, which they had so unfairly accused, came up with a $19 raise within less than four years.

So I want to thank again the Conservative government for its generosity towards the aged, the disabled and the blind.

However, we should not stop at that. There is another social measure that should be amended. I want to speak of family allowances. With the increase in the cost of living, family allowances are inadequate now to raise a family decently, but it is through our families that we shall be able to make Canada a strong country.

I, therefore, beg the government to grant my request and I am confident that a few million dollars will be, in the near future, apportioned among our families in need.

In a country like Canada, poverty and suffering should not be the lot of large families nowadays. I would ask the Minister of National Health and Welfare (Mr. Monteith) to investigate the urgent needs of those large families which, in this wealthy country of ours, lack basic necessities, to investigate the condition of those thousands of children of all ages who have to go to sleep on empty stomachs at night and who have nothing but old rags to protect them from the cold.

A physical fitness program for which we unhesitatingly voted subsidies totalling $5 million has won high praise. It may be a good thing to remember that the best physical fitness program in Canada is still to see that all Canadian children have something to eat every day.

I am sure that only a Conservative government like the one we have at present will solve this serious problem and correct this unfortunate situation which is due to too many years of Liberal neglect. Indeed, the Liberal party used to boast about economic conditions which were the result of sad events, but it forgot and neglected our large Canadian families in poor circumstances, especially in the province of Quebec and other nearby areas.

(Text):

I should like to take this opportunity of thanking the people of my constituency for the vote of confidence they gave me on May 29 last. I must say it was an easy task for the people of my riding to reach a decision. There were two main factors I should like to mention.

The people of Restigouche-Madawaska had not forgotten the error they made in 1960 when in that province they elected under false promises a Liberal government which is carrying on a program of destruction which every day brings our little province nearer and nearer to the edge of bankruptcy, especially by the runaway administration of hospital insurance patterned on the great fiasco by the premier of Quebec in connection with the same matter. The second factor was the unusual visit in my riding of the Liberal chief and a dozen of his colleagues who, for three weeks, carried out a campaign of destruction, nonsense, falsehood, misstatements, and twisting of the truth. It would take too long to mention more of their behaviour but I hope they have learned, if they ever do so, that the old Liberal method of fooling the electors is something of the past.

They all did the same thing, Mr. Speaker. They all used the same methods. Most of them had never set foot before in my territory but what a picture of poverty and misery they presented to the people. Without looking around, they were quick to condemn the Diefenbaker government for so long neglecting my riding. The audience just stood back and listened. Some laughed, others became angry and asked themselves, "Do they think that we are that stupid?" That was especially so when the former minister of transport—I refer to the hon. member for Laurier (Mr. Chevrier)—told the Dalhousie people how they had been neglected in the matter of port facilities. When he made that statement I presume he did not know that our Diefenbaker government had already spent $1 million to build the wharf which the ex-minister had failed to build. Those same hon. members failed to see the Campbellton-Cross Point bridge, a $3,500,000 structure promised by the Liberals for over 60 years and built by this generous Diefenbaker government. They failed to see the new Campbellton federal building and the new C.N.R. station, again an old Liberal promise of some 30 years standing, but carried out under this good Tory government.

They arrived in my riding, Mr. Speaker, like the great Goliath, with chests out and with swords in their hands. They were going

to make a sweep. However, they met little David and made a sweep but in the opposite direction. I wish to thank the people of my riding again for giving me their confidence.

A subject in which I have taken a great interest, Mr. Speaker, is the proposed new electrical energy national grid system. I am very happy to see the government with which I have the privilege to be associated take the initiative in this important matter. Again it took a good active and constructive Tory government to initiate action with regard to the possibility of harnessing together this tremendous potential power in order to better the economy and the living standards of our Canadian people. What this improvement would do for a better Canada is a subject which would take too long to discuss at this moment. However, with your permission, Mr. Speaker, I should like to relate a bit of history in connection with the development of electrical energy first, in our local communities and second, in our province, in order to see what we have achieved, where we stand today and where we go from here. I shall now touch briefly on the first matter.

The early development of electrical energy in our communities goes back to the early 1900's when electrical energy was used only as a luxury by a few people for lighting purposes. The price was 20 cents per kilowatt. At that time electricity frightened people more than did any other discovery brought into use by the mechanical age. It had the power to set fire in its passage; it gave terrible warning if one touched it, and it would go as far as killing you without mercy if you became too brave in handling it. However, as time went on, people learned more every day about its uses and its handling. After the invention of the light bulb, electric motors came into use to drive the wheels of growing industries. Electricity came to be used in wire and wireless communication, for medical purposes, transportation, heating, refrigeration and so on until today we have reached the point where we cannot move around without its assistance.

During the early 1900's many problems were solved. Man became acquainted with electrical energy and found ways and means by which to handle it, and electricity became humanity's best friend. The problem of the transmission of electrical energy over long distances was encountered. The difficulties in connection with cycles were overcome. Differences between direct current and alternating current were established. Transformers with the capacity to increase or to decrease voltage came into use, permitting current at high voltage to be transmitted at low cost and then to be decreased in voltage at various points to serve the domestic or small consumers. Long distance lines were built with control stations at various centres with switching gear, regulation fusing and so on. While this early transformation was taking place, people became more and more conscious of electrical energy and its uses around the clock. It was then accepted as part of our economy and a great necessity. This summary covers the period extending from the 1900's up to the early 1920's and brings me to the second item, namely what was achieved.

While this development took place at a very high rate of speed, one problem was the production of electrical energy to meet the growing demand. In the early years of the nineties electricity was produced by small generators in the various communities, municipalities, villages and cities and in private industries. Fortunes were spent to provide mechanical devices, such as the diesel power of those days and thermal coal burning plants, steps were taken toward the harnessing of our rivers. This was all to the good, but as the demand increased so rapidly, by the early 1920's many of those limited resources were either exhausted or were beyond the financial ability of the owner.

Mr. Speaker, may I call it five o'clock.

Mr. Deputy Speaker: Order. I must remind the hon. member that the debate continues without interruption until six o'clock. The hon. member may therefore continue.

Mr. Fournier: Thank you, Mr. Speaker. That is the time when, in practically every province across Canada, decisions were taken to pool all available resources in order to produce more and cheaper electrical energy to meet the demand, with the result that we saw in many provinces the birth of electric power commissions and the establishment of a provincial grid system. That was the result of a continuing growth in the demand for electric energy. Larger and more effective plants were built. The building of thermal coal burning plants at the mine site, the development of hydraulic power generators all connected together as one unit, saved millions of dollars to the citizens of the provinces and made large volumes of energy available. This is what has been done up to the present time and brings me to the third part of my remarks.

Today, in the early '60's, every province finds itself in about the same situation as that in which were all the communities in the early '20's, but on a larger scale. Today many provinces across the country have just about exhausted their resources for producing

electrical energy. We have reached a rate of growth which requires that the capacity must be doubled every seven and a half years, something which is just about impossible financially or otherwise in some provinces. If we review for the moment the position of the provinces and their resources for the production of electricity, we find Nova Scotia and New Brunswick with a limited coal field and limited hydraulic resources now in production of power. We find Quebec with the world's largest hydraulic potential and with less than 30 per cent of its potential developed. We find Ontario with natural resources just about exhausted, the prairie provinces with limited hydraulic resources but very rich in coal deposits and British Columbia with some hydraulic developments to meet today's situation.

Let us see what could be done for the future. The transmission of electric energy has become possible more economically by using direct current and converters. To energize a national grid, the maritime provinces have the world's largest tidal power potential. Better than 5 million kilowatts can be produced. Newfoundland, at one site alone on the Grand Falls river can produce another 5 million kilowatts. The capacity of this tremendous Grand Falls hydro plant would work well to balance the load during the dull period of tidal power. Today, Mr. Speaker, it is possible to use the tides to generate power 20 hours out of every 24. New types of generators have made it possible to produce power with the uptide as well as the downtide. At times, even hydro power plants have dull periods at low water and one cannot operate efficiently without assistance from another source. The building of the Chignecto canal would be the first step towards the development of maritime tidal power.

Then, we move to Quebec, with its vast hydraulic reserves. Ontario is turning to nuclear power, thanks to our generous government. This power, developed by nuclear energy, could be directed east or west through a national grid system. Then, we come to the immense coal and gas reserves of the prairies and at the extreme west we have the Columbia and Fraser rivers, those great potential sources of hydro energy which can be converted to electrical energy and carried across Canada to the points where it can be used to the advantage of the Canadian people.

This, Mr. Speaker, is just a brief review of the proposed grid system. Before we see this system in operation, hundreds of problems will have to be solved. The physical possibilities, the feasibility, administrative organization and countless other problems will need extensive study. This will require the labour, sweat and full co-operation of everyone involved. Let us not be alarmed by this irresponsible young Quebec minister of resources who has made a name for himself in other fields, but not in electricity. He is making himself a name, but the dignity of this house does not permit it to be mentioned.

Three years ago the then premier of New Brunswick, in co-operation with the good and generous federal government of today and the Hon. Robert Stanfield, premier of Nova Scotia, decided to build the first interprovincial grid system between New Brunswick and Nova Scotia. I was fortunate, as chairman of the New Brunswick electric power commission and in co-operation with the Nova Scotia power commission, in having a hand in the construction of this grid system. Today, power may be generated at Halifax or the extreme end of Nova Scotia, or at Edmundston in New Brunswick, and may be transported across these two provinces like lightning. A central distribution centre, with operating dispatchers having full control of generation and distribution, is located in the centre of the system. The savings in spare capacity alone to each province already represents several millions of dollars.

In closing, Mr. Speaker, may I say that the good name of the Prime Minister (Mr. Diefenbaker) will remain in history as the founder of this national grid system. Since it will be the greatest achievement of the sixties I am proud, along with my colleague and former boss the Minister of Forestry (Mr. Flemming), to be associated with this great project. I hope that at the next election the people of Canada will realize the importance of this grid system to the future of our country and the future of our children. I hope, too, that the Canadian people are now convinced that the only responsible government able to accomplish the construction of this national grid system is the present Diefenbaker Conservative government. This government has proven beyond any doubt to the Canadian people it has ability in all spheres of administration. This government will not embark on such a large project without a full study of the feasibility of its operation. It always places the welfare of the citizens and the economy of the country first.

I was amused to hear some members of the opposition already questioning the merits of such a grid system. They asked, who is going to participate? How will it operate? They have already found fault with it. These electrical experts have already condemned the job before its birth. They want to know if it will be a boy or a girl. Will he be born with hair or will he be bald? What will be the colour of his or her eyes? These are but some

of the many ridiculous questions they ask. No one can answer questions as to how this grid system will be put together, who will take part in it or how it will work. These answers cannot be given until a lengthy and complete study is made in all the provinces, and that is exactly what this government intends to do. The government has proven this by inviting every province in the dominion to a meeting to set in operation the machinery for such a study. This organizational work is not completed overnight. In my opinion, what seems to disturb my friends most is the fact that the grid system, when completed, will not display a commemorative plaque reading, designed by Mike; engineered by Paul; supervised by Lionel and twisted by Jack. It is my hope that the opposition will show more horse sense in the future and stop finding fault with a project that does not even exist.

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, it is indeed an honour for me, and for the people of my riding of Trinity-Conception whom I have the privilege of representing, to join previous speakers in this traditional debate on the address in reply to the speech from the throne. At this time, I should like to join my colleagues on both sides of the house in congratulating the mover, the hon. member for Laval (Mr. Bourdages) and seconder, the hon. member for Vancouver-Kingsway (Mr. Browne) on their contribution to the address in reply to the speech from the throne. I am personally glad to see you, Mr. Speaker, again assuming the very important position which you have so capably and justly filled ever since you have occupied it.

I should like also to congratulate the Deputy Speaker upon his appointment to that very important post. I believe he will carry out efficiently the new duties entrusted to him. I am not forgetting the reappointment of the hon. member for Winnipeg South (Mr. Chown) as deputy chairman of committees of the whole house, who performed his duties in this important position during the last session of parliament to the complete satisfaction of all hon. members and with great credit to himself and to his riding. My congratulations also go to our former deputy speaker, the hon. member for Quebec South (Mr. Flynn), the new Minister of Mines and Technical Surveys and to the parliamentary secretaries on their reappointment.

I should like now, Mr. Speaker, to talk about matters pertaining to the welfare of Canada's newest province. Since becoming the tenth province of Canada at the date of confederation, Newfoundland has progressed in many ways, especially in the field of education, culminating in the expansion of Memorial university. During the year 1961, all was not sunny for the province and people of Newfoundland, but with the ups and downs the province did progress economically as well as educationally.

Newfoundland has suffered practically every summer from the curse of forest fires. Last year she saw her forests devastated by fires which were considered to be the worst in the history of the pulp and paper industry. Millions of dollars worth of woodlands were destroyed. The damage to the forests was so great that the prospects for a third paper mill in Newfoundland seemed in danger because of the loss of wood to supply the three paper mills. The latest news, which is good news, is that a third paper mill will very likely be established in Newfoundland. Although all the details have not been worked out, negotiations have been continuing for some time, and the prospects are bright.

This paper mill will be established, it is expected, near Come-By-Chance in the federal riding of Trinity-Conception. At the moment, the Bowater Pulp and Paper Company of Corner Brook has agreed with the premier of Newfoundland, Mr. Smallwood, to start logging operations this year in Labrador. Newfoundland now has two large paper mills, perhaps the largest in the world, one at Grand Falls and the other at Corner Brook. These mills employ hundreds of Newfoundlanders in steady employment. Indeed both the paper mills actually support modern towns which have sprung up and been laid out adjacent to each mill. With a third mill at Come-By-Chance, and with another large town to come into existence, Newfoundland's economy will receive a badly needed substantial boost.

During the forest fire period the provincial government of Newfoundland threw everything into fighting the fires, in an effort to save our valuable wood stands. It even went so far as to solicit and receive help from the federal government which lent troops, water planes and other fire fighting equipment. Newfoundland is singularly blessed with valuable wood stands and forests and the natural resources of these forests are of particular importance to Newfoundland. They play a large part in her economy. The forests provide the raw materials which keep her two large paper mills operating at full capacity the whole year round.

Her forests have been a great boon to the people of Newfoundland in setting up her economy and leading to the building of two large and beautiful cities. It now appears that Newfoundland is about to get a third paper mill and her forests will also provide the raw

materials for it. In that section of the province her people can look forward to another new town coming into existence in the near future, with employment being available to the people in the area. All in all the forests of Newfoundland play an important part in the economy of our province and will continue to do so, perhaps on a larger scale in the future than in the past. Consequently the menace of forest fires must be controlled and, if at all possible, entirely eliminated.

Perhaps the greatest advance made by Newfoundland since the date of confederation has been in the field of education. The provincial government has gone all out with its financial and other assistance to education and the building of new schools, new regional high schools, and as a crowning success we have the Memorial University of Newfoundland, so that our present government has often been termed "the government of schools". Since confederation more new schools have been built, opened and staffed than in the time between the discovery of Newfoundland and the date of confederation, which shows that Newfoundland is really on the march in the field of education. Newfoundland's university recently opened its new buildings with pageantry and pomp and it will soon be one of the greatest universities in Canada. At the present time some of the halls of learning to make up the entire university are only in the planning stages. When the university is completed it will be second to none in Canada and will be a worthy memorial to Newfoundland's gallant dead in both world wars.

The fisheries industry will always be an important industry to Newfoundland, contrary to the present day thinking of some politicians. Newfoundland was a fishing country even before its official discovery and down through the years she has charted the measure of her success or failure by her yearly catch. A poor fishery meant a poor year for Newfoundland and her people. A good fishery meant a prosperous year for Newfoundland. However, since Newfoundland became a province of Canada she has not advanced her fisheries in the new techniques and methods of catching and curing fish, such as are used by Russia, Iceland, and other foreign nations fishing on our doorsteps.

The past year has been one of the poorest fishery years in the history of Newfoundland, coupled with several storms which caused damage and destruction to both public and private property, to the tune of approximately $250,000 in one single storm, leaving many of our fishermen almost destitute. Time and time again the federal government of Canada has been urged to see that a thorough investigation be made into our fisheries, that measures should be taken and support given to bringing our fisheries up to date in both catching and curing methods. It was also urged that Canada should have already taken some action toward establishing the 12 mile limit to protect our Canadian fishermen and fisheries.

On many occasions Newfoundland fishermen claimed that foreign vessels were fishing inside the three mile zone, and several times they have stated that their fishing gear was damaged by foreign ships. Last spring a Newfoundland sealing captain gave me a flag of a foreign ship which he stated was definitely picked up inside the three mile limit when the ship was operating inside that limit.

The banks of Newfoundland are becoming more and more crowded every year with foreign fishing ships and the time has long passed when we should have begun protecting our fishing grounds. The present Canadian government fears that we would offend some of our friendly foreign countries if we were to establish a 12 mile limit for territorial waters and put real teeth into the provisions to enforce it.

Two years ago the government of Iceland became concerned over its fishermen's livelihood and unilaterally extended her traditional three mile limit to 12 miles. This was vigourously opposed by Great Britain, an old friend of Iceland, but on occasion Icelandic patrol vessels interfered with British draggers. On one occasion a British man-of-war went along as escort to British fishing vessels, and incidentally I have heard that man-of-war was captained by a Newfoundlander. Iceland's 12 mile limit is now recognized by Britain, with a three year phase out, during which British vessels may be allowed to fish in certain areas up to six miles from amended base lines.

Today Newfoundland finds that in and around her shores, where her waters at one time were teeming with fish, there are more Russians and other foreign nationals fishing than there are Newfoundlanders. The seal fishery, once a prosperous venture for Newfoundlanders, has been practically taken over by Norway and the wealth taken from our very shores. However, there does not seem to be anything done about it, or any assistance forthcoming from the federal government of Canada to investigate new methods and procedures for the seal fishery, in order that the wealth which is now benefiting the economy of other countries could be kept in Canada, and particularly in Newfoundland. In my opinion the time has arrived when we must give consideration to seal conservation by placing a closed season on the killing of seals off the east coast of Newfoundland.

Newfoundland badly needs federal and provincial government assistance for her fisheries, if they are to survive and be one

of the chief industries of our province; because it is plain to see that Newfoundland fisheries are very important to that province and are still one of the major components that make up her economy. For the success of her fisheries Newfoundland urgently needs more public cold storage for both bait and fish. Without such storage facilities her fisheries cannot expand or enlarge. More community stages are also required. The fisheries are a big cog in the wheel of her economy and they must be protected and developed, as the economy of Canada as a whole requires and needs them.

Mr. Speaker, not so many years ago most of the people of Newfoundland were isolated because of very poor roads, and often because there were no roads at all. The picture has changed vastly, and because of the trans-Canada highway and the many local roads which have been built in the past 13 years isolation is practically unknown on the island. Again, when one considers that the cost of building and maintaining roads in Newfoundland is higher than in any other province of Canada, one realizes what a tremendous job of shedding isolation has been accomplished by those concerned with this program.

Since Newfoundland still has to contend with her narrow gauge railway, after being a province of Canada for 13 years, we consider that as a matter of equity the federal government should complete the unfinished portion or portions of Newfoundland's trans-Canada highway to compensate for her railway not being the standard gauge of the other provinces of Canada. We have not forgotten the promise of the Prime Minister (Mr. Diefenbaker) in 1957 to give us a standard gauge railway.

Newfoundland still needs more and better roads, more connecting roads, and above all she really needs the completion of her section of the trans-Canada highway. This completion of the trans-Canada highway will be delayed for years, and with it the economy of Newfoundland checkmated, unless the federal government soon realizes Newfoundland's position in the matter, recognizes her rightful claim to a standard gauge railway and makes a compromise or gives further financial assistance. Because the trans-Canada highway is not completed Newfoundland and her economy will suffer in regard to the tourist business. The tourist business in Newfoundland, goes a long way toward supporting our economy, and it could do much more. This industry is really considered too important a revenue item to be lost.

Since the days of confederation Newfoundland has rightly come into her own in the mining field. Already iron ore, copper, zinc, talc and gold in small quantities have been discovered and mined; but the latest development at Carol lake, being developed by the Labrador Mining Company—this is a new discovery—has placed Newfoundland in the forefront of the iron ore market and she is now Canada's largest producer of this commodity. Last year our mineral production was worth $96 million. Bell island, the iron ore island of Newfoundland, has been our main industry on the island for many years. The ore from Bell island has been steadily and continuously going into the markets of the world and has always been in fair demand. During the past five or six years the picture for Bell island has been continuously changing due to world conditions. The past two years have seen Bell island feel the pinch because of short orders for her ore, with the consequent loss of employment for many Bell island and Conception bay miners. Surveys for 1962 are not too bright and it is anticipated that unless world conditions change and further orders are received for ore, Bell island mines will close down for at least an indefinite period. At the present time the picture is far from encouraging.

In recent years mining has become very important in the financial and economical structure of Newfoundland because it appears that Newfoundland is now only on the threshhold of great developments in mining. At present only the surface has been scratched. Some of the biggest financial companies and combines of companies have acquired mining rights in Newfoundland and it is confidently anticipated that in the foreseeable future mining activities in Newfoundland will reach proportions that will make this industry the highlight of the century.

Mr. Speaker, compared with a quarter of a century ago, the budgeted expenditures for one year to cover the services of all departments in Newfoundland are now equalled by the expenditures of two departments, health and welfare. The medical and social services inaugurated in Newfoundland since confederation could not be contemplated 20 or 25 years ago, and the only drawback to further rapid expansion is the lack of doctors and nurses.

The advances made in hospital accommodation and medical and social services since the advent of confederation have been phenomenal, but the need is still not satisfied because Newfoundlanders need more hospital accommodation, doctors and trained nurses. However, Newfoundland can be justly proud

of her program of hospital and medical services because she has the highest birth rate and the lowest death rate of all the provinces of Canada.

I should now like to discuss one of our greatest problems, that of unemployment. Because Newfoundland is an island, one of her principal sources of revenue to sustain her economy is her fishery. This is the principal occupation of her residents. If the fishery is good in one year, then the employment problem in that year is not so great; but in a year of poor fishery or failure in the fishery the employment problem becomes acute. Seasonal employment in Newfoundland cannot be avoided, because the principal industries or labour offering enterprises, the fishery, logging, seal fishery, road building and construction work, are all seasonal employment. Consequently during the off-seasons in these industries Newfoundland will have a great deal of unemployment because there is nothing to offer to the people to temporarily take up the slack.

Another factor which one must consider when studying this problem of seasonal unemployment in Newfoundland is the large percentage of her labour force which comes under the category of unskilled workmen. This is the class of workers who cannot afford to be unemployed. Thus we are faced with this difficulty each year.

Let us first look for at least a partial remedy for this problem. I consider that getting more people back into the fishing industry is very important, even if the federal and provincial governments have to provide extra assistance, especially during the coming fishery season, because due to storms, losses, and the like, many fishermen will not have the equipment with which to engage in the fishery this year without financial help. As to a long term cure, it will be necessary for our fisheries in Newfoundland to be placed on a sound footing and brought up to date in methods and procedures. Our fishermen should have all the mechanical devices that are used by the Russians, in order to make fishing a success. The government of Canada owes this to her fishermen.

Much remains to be done on the marketing side. Canadians do not eat enough fish. More marketing research must be conducted under federal auspices. A national fish marketing board could go a long way toward inducing Canadians to eat more fish.

The erection of a third paper mill and the creation of a new town of Labrador and perhaps one at Come-By-Chance, where it is hoped a mill will be erected, will tend to reduce unemployment. But what is really needed more than anything else is the creating and setting up of factories or industries in larger towns such as Lewisporte, Harbour Grace, Carbonear, Clarenville, Catalina, Port Union, St. John's, Corner Brook and Grand Falls, where many workers, particularly young workers could be gainfully employed in their home towns. It may well be that young people cannot always afford to accept opportunities offered to them elsewhere because they have to care for aged or sickly parents, or undertake similar responsibilities. If the suggestion I have made were followed it would lead to a reduction in unemployment, and I urge the government to give the idea their immediate attention and consideration.

I have outlined the serious problems that still face Newfoundland. Again I say that we need the help of the Canadian government as a team if we are to reach our goal of complete employment by creating jobs at home, thus making Newfoundland a more stable element in this country's economic structure.

Newfoundland's first oil refinery, operated by the Golden Eagle Company of Canada at Conception Bay, went on stream early in December 1961. It is a $7,500,000 plant and it will produce approximately 8,500 barrels daily, employing about 100 permanent employees. About 25 per cent of the plant's production will be shipped out of the province, and the provincial government will provide the refinery's initial market. Fuels, lubricating oils and asphalt will be produced for distribution in eastern Canada. Marine terminals have been built in Corner Brook, Botwood, Clarenville, Montreal and Rimouski. The company expects that the value of its assets will increase in value in 10 years from $15 million, as at present, to $75 million.

In closing I should like to say that I was glad to learn from the speech from the throne that Her Majesty the Queen Mother together with Their Highnesses, the Duke of Edinburgh and the Princess Royal will visit Canada some time during the coming summer. I sincerely hope their visit will be a happy one.

Mr. L. R. Crouse (Queens-Lunenburg): It is with pleasure that I rise to take part in this throne speech debate. In accordance with the time honoured custom my first words will be those of congratulation to the mover and seconder of the address, the hon. member for Laval (Mr. Bourdages) and the hon. member for Vancouver-Kingsway (Mr. Browne). I also wish to congratulate the hon. member for Pontiac-Temiscamingue (Mr. Martineau) upon his elevation to the position of Deputy Speaker. At this time I also wish to extend congratulations to the hon. member for Quebec South (Mr. Flynn) on his appointment to the position of Minister of Mines and

Technical Surveys. We look forward to seeing this minister more often in Nova Scotia as his department extends its new hydrographic and oceanographic base at Halifax.

The speech from the throne represents a monumental work on the part of the Prime Minister (Mr. Diefenbaker) and his cabinet. Opposition speakers to date have made it their business to steer away from this blueprint of further national development. However, I believe this government has charted a course, has laid down a program, which will provide a higher standard of living and greater opportunity within a free economy for all Canadians.

It is not possible, in the short time available, for me to deal with all the progressive plans enunciated in the speech from the throne, so I shall limit myself to dealing with a few matters of significance and importance to our area. There are representatives here from all parts of Canada who are quite capable of outlining conditions as they exist in their localities, and I therefore propose to confine my remarks for the most part to Nova Scotia and to the developments taking place in that province.

I listened with interest to the remarks of the Leader of the Opposition (Mr. Pearson) when he spoke in the debate, I am sorry he is not in his place today.

It appeared to me he must still believe he is on the sunny beaches of Acapulco, far removed from the pulse of the Canadian economy and the Canadian people. He kept calling for an election, saying the Liberals have the answer. When the election comes, he added, it would be on the record of this government. We on this side of the house will certainly welcome and accept that challenge. I remember well the election of 1957. It was fought on the record of the then Liberal government in office—and the Leader of the Opposition knows the result. The election of 1958 was fought on the record of the Conservative government in office, and the results of that election are painfully evident to the hon. gentleman as he looks over at the benches occupied by government supporters and then to the tattered remnants of his once great party. It was in these campaigns that the people of Nova Scotia looked to the present Prime Minister and, with a sailor's salute, said: Long may your big jib draw. Then they proceeded to elect 12 members from 12 constituencies in support of the Conservative party. These are times when the Leader of the Opposition must ask himself: What did we do wrong? At the time of their defeat it was the hon. member for Essex East (Mr. Martin), I believe, who said they had neglected their clothes on the left bank while in swimming and the Conservatives had slipped in from the right. The Leader of the Opposition had another viewpoint. In his opinion "the brass lost touch with the grass". However, today the hon. gentleman is critical of our Prime Minister and of members of this government for keeping in close touch with the people. I think it is time we enlightened the hon. member for Algoma East (Mr. Pearson) and pointed out that it was arrogance and indifference to the needs of the people that cost the Liberal party majority support in the Atlantic provinces. And this arrogance and indifference is still evident today, due no doubt to the fact that the Leader of the Opposition has the same old economic advisor he had in 1956. We heard the other day that Mr. Walter Gordon had been nominated to contest the Toronto Davenport riding in the next federal election. He is the man with bold imaginative policies—the man who has all the answers for the Liberals. Well, let us look at some of the bold imaginative policies of maritime Gordon, this aspiring Liberal finance minister, as enunciated in the 1956 preliminary report of the royal commission on Canada's economic prospects. I quote from page 98:

> About one and three quarter million Canadians, or over 10 per cent of the total population, live in the Atlantic region. It is well known that the rate of economic progress in the three maritime provinces—Nova Scotia, New Brunswick and Prince Edward Island—was relatively slow for a long period of years.

The report continues:

> It is a fact that average incomes in this region continue to lag behind the averages for the rest of Canada. In 1926, for example, the average income per capita in the three maritime provinces was 38 per cent below the average for the other six provinces; in 1939 the corresponding percentage was 32 per cent; in 1946 it was 24 per cent; and in 1955, 33 per cent. In 1955, the average income for the Atlantic provinces, including Newfoundland, was 37 per cent below the average for the other six provinces.

Then he continues:

> The fact remains that living standards are lower in the Atlantic provinces than they are in the rest of Canada, and that it is in everyone's interest to reduce this differential if it is at all possible—

I repeat: "if it is at all possible"—

> —to do so. It is not suggested that this should be accomplished by ad hoc projects and handouts. Such measures are as unpalatable to the recipients as they are to those who must foot the bills. What is required is a positive and comprehensive approach to the problems of the Atlantic region. With this as the objective, it is suggested that the people of Canada as a whole might be willing to assist the people of the Atlantic provinces in discovering, developing and making the best use of resources in that area.
>
> If it should turn out that there is not the necessary combination of resources in sufficient quantities to permit a substantial rise in living standards in the Atlantic region, generous assistance

should be given to those people who might wish to move to other parts of Canada where there may be greater opportunities.

Some hon. Members: Shame.

Mr. Crouse: It continues:

But even if assistance is provided for those people who might be willing to move elsewhere, many people undoubtedly would prefer to remain where they are, despite the handicaps referred to. People who so choose should at the same time be prepared to accept a different kind of life, or certainly life at a different tempo, and lower levels of income.

Is this bold and imaginative? No Atlantic provinces grants here. This would be ad hoc assistance. I continue:

It would be unwise to spend large sums on the construction of highways merely for the purpose of forcing a reduction in railway rates by the introduction of highway truck competition and thus increasing the present losses of the railways. It would be equally unwise to insist upon the continuance of unprofitable rail services if, with the construction of road facilities, the present traffic could be handled effectively by trucks and buses.

Do away with the railways, build no roads or highways. That is what is recommended by Mr. Gordon and his party. If you read the whole report it can be summed up as only a negative, do-nothing, move-out policy.

But, the Liberals say, Mr. Gordon has changed. He is now the national chairman of the Liberal campaign committee and his heart literally bleeds for the maritime provinces. I have in my hand a report of his speech delivered at Sutherlands River on December 14, 1961, as reported by the Halifax *Chronicle-Herald*. While we have heard of the new Pearson and the new Gordon they still have the same old policies for the Atlantic provinces and the evacuation of those provinces. Listen to these quotations from Mr. Gordon's speech:

Living standards in the Atlantic provinces were lower than in the rest of Canada, he said, and it was in everyone's interest to reduce the differential.

He stated that it was not suggested that this should be accomplished by "ad hoc" projects and handouts—such measures were as unpalatable to the recipients as to those who must foot the bill.

What was required, he said, was a positive and comprehensive approach to the problems of the Atlantic region.

And again:

There would be no point in anyone moving to Upper Canada, for example, in search of work these days.

And further:

Special measures will be needed for looking after these people and for re-establishing in other industries those who may be interested in such an alternative. It may be such measures could be included under the broad national scheme we have referred to for relocating people who may wish to abandon sub-marginal farms and be re-established in other industries.

In other words, the one suggestion Mr. Gordon did have for the citizens of the Atlantic provinces has now been modified and he cannot even suggest a suitable province to which we should move. Mr. Speaker, we will stay in the Atlantic provinces. We do not need to move out. Under the progressive policies of the present federal government employment opportunities are gradually being provided for our people. We did not listen to Mr. Gordon in 1956 and apply to the then Liberal government for a one way ticket out of our province. Some of the figures I intend to place on the record will indicate what has happened to the good ship Nova Scotia since we discharged the entire mutinous crew of Liberals and the present Prime Minister became captain.

The average income per capita in the Atlantic provinces, as quoted by Mr. Gordon has always been lower than the average income in the other six provinces. However, we are making progress for, according to the dominion bureau of statistics, the average per capita personal income for the four Atlantic provinces increased from a low of $851 in 1956 to $1,010 in 1960. In the three maritime provinces, Prince Edward Island, Nova Scotia and New Brunswick, the average income in 1960 was 32.8 per cent below the national average. We are still not out of the woods economically and the Atlantic provinces adjustment grants are still justifiable, but we have been making a far better showing in the last four years under this Conservative government than we made in the last 22 years under the Liberal government.

The transition in Nova Scotia that brought about this increase in income is apparent in the fishing industry, the boat and shipbuilding industry, the mining industry, agriculture and in the construction industry.

Some hon. Members: Hear, hear.

Mr. McIlraith: My hon. friends applaud misleading figures.

Mr. Crouse: My hon. friends opposite do not like to hear these facts. I hear a comment from my hon. friend, the economist from Ottawa West (Mr. McIlraith). Nevertheless we are glad to state the facts even if my hon. friends do not like to hear them.

The Nova Scotia fishing industry is in the midst of an accelerated boat building and fish plant expansion program. This has been brought about by the far sighted, progressive legislation introduced by this government to assist the shipbuilding industry in Canada and the fishermen in particular. Already a number of new draggers in the 100 foot class have been launched, with more to follow before the end of 1962, and if you could but visit the wooden shipbuilding yards in Mahone Bay, Lunenburg, Dayspring and in

fact, most of the yards throughout Nova Scotia, you would see a scene reminiscent of former years when our province became famous as the home of wooden ships and iron men, and the schooner *Bluenose* sailed the north Atlantic undefeated. The Halifax *Chronicle-Herald* on February 8 headlined their front page with the statement that this shipbuilding boom could amount to $10 million this year. These new fishing draggers for the ground fish and scallop fishing industry will provide a safer working unit for the fishermen who will be stepping out of smaller boats, into modern efficient ships that will help ensure a year round supply of fish for the processing plants. And speaking of processing plants, Lunenburg Sea Products Ltd. is planning an $8 million expansion to their facilities at Lunenburg. The plant will be erected on an eight acre site, will provide additional jobs for 200 to 300 people, will add at least $4 million annually to the economy of Nova Scotia and is expected to be in production early in 1964. In addition to this, two new fish plants are under construction for Cape Breton island.

While all of us welcome this expansion and realize the value of the fishing industry, not only to Nova Scotia but to Canada as a whole, we are also aware of the growing need for well trained crews for the expanding fishing fleet. A modern fishing dragger is a highly complex unit containing many electronic devices to assist in locating good fishing grounds, as well as protect the crew in foggy weather. New fishing techniques should be introduced and I would suggest the Minister of Fisheries and the Minister of Transport give consideration to the establishment of special vocational training facilities for deep sea fishing vessel crews. Due to their environment and long hours of work, fishermen cannot always secure the technical training required. I hope the government will find it possible to initiate this type of training program in the near future.

In our mining industry there were major advances during the past year. Salt production increased 40 per cent, milling started at the Walton silver-lead-zinc ore body and initial steps were taken toward establishing a major new gypsum producer in Cape Breton. In fact, present resources of gypsum in Nova Scotia are sufficient to produce 2 million tons per year for the next hundred years, and this will contribute substantially to the economy of the province.

Interest in Nova Scotia as a leading source of industrial minerals continues to grow. The tempo of exploration last year was at an all time high and this bodes well for the future of our mining industry.

In the field of agriculture in Nova Scotia, last year's records reached new heights. The gross income from farm products last year exceeded $53 million. Livestock and livestock products account for about 80 per cent of this amount which is an increase of more than $3 million over the previous year.

There was a time when if someone mentioned the Annapolis valley we thought only of apples. However, while apples remain one of the province's best known farm products, we see tobacco grown today commercially for the first time in our history. Last year's crop was estimated at $50,000 and present plans call for a crop of at least four times this size in 1962.

In the construction field and in the establishment of new industries the record is beyond compare. In my constituency the American boat building corporation has located at Mahone Bay. Yesterday's newspaper carried the report that they recently increased their working staff by 40 per cent. The Atlantic Bridge Company Limited at Lunenburg and the Lunenburg Foundry and Engineering Limited at Lunenburg recently built large new additions to their plants. Scotia Marine Products Limited at Lower Woods Harbour have established a $750,000 plant for the production of "algin", an end product of rockweed which has almost unlimited possibilities as an emulsifying agent in ice cream and food supplements. This type of factory is quite rare, as there are only 10 other algin plants known to be in existence throughout the world. Other plants established have been the Bonda Meal and Oil Limited at Short Beach, Yarmouth county; Cossor Electronics Limited at Dartmouth; Fairey Aviation Company of Canada Limited at Halifax; Eastern Paper Box Manufacturing Limited at Halifax; Federal Products Limited at Truro; the $3 million Formex Company of Canada plant at Kentville; the Oxford Desk Limited at Oxford; Phillips Electrical Company at Dartmouth; Springhill Homes and Supplies, Springhill and the Surrette Battery Company in the same town; the $14 million Texaco oil refinery going up at Woodside in Dartmouth, the fourth big refinery in the Atlantic region with a 13,500 barrel capacity; Weymouth Industries Limited; and I could go on until I listed a total of 22 new industries in Nova Scotia in the past four years. While all this has been going on our existing industries have been growing and expanding and for the most part have been providing new jobs. All this has happened in a province where the only suggestions the Liberals had when they were in office, for the improvement of our lot was Mr. Gordon's classic, "move out".

Despite this record of progress and steady growth, under a Conservative government,

the hon. member for Gloucester (Mr. Robichaud), asks what there is in the speech from the throne for the Atlantic provinces? He then proceeds to degrade the maritime area with a speech filled with doom and gloom that could only be exceeded by his leader. There are many items in the speech from the throne that will be of benefit to our area. For example, the extension of the winter works program, co-operative measures between the 10 provinces to encourage wise management of our natural resources; the provision of low cost electric power; the maintenance of fair prices for our farms and fisheries products; legislation extending farm and fisheries improvement loans acts; increases in welfare pensions to all classes; increases in civilian war pensions and allowances; increases to our university grants; institution of a second ferry service between Nova Scotia and Newfoundland.

These are but a few of the measures that will benefit our citizens in the Atlantic provinces. In my opinion the remarks made by the hon. member for Gloucester do great harm to our area by destroying the confidence of the investment world in locating industry in the Atlantic provinces. In support of this statement I quote from a recent editorial in the Halifax *Chronicle-Herald* in which Mr. Karl A. Klausen, president of Nova Scotia Pulp Limited, stated Nova Scotia's excess of bad publicity has hampered its economic growth. I quote from the editorial as follows:

> Mr. Klausen said he had been advised by pulp executives and foresters across Canada against establishing a mill in Nova Scotia and that financiers in Toronto and Montreal warned against the move because of lack of confidence in our economic future.
>
> So far as this attitude begins at home, habits of thought and continual crying of havoc and hard times will have to give way to more reasoned appraisals of our strengths and weaknesses. For it is apparent that despite such soft spots as the coal industry the over-all economy of Nova Scotia, particularly in the vital field of manufacturing, is making some rapid strides—
>
> As the President of Nova Scotia Pulp Limited stated, this province has a vast industrial potential and a prosperous economic future if we can persuade ourselves and others to believe in it.

The record proves that under this federal Progressive Conservative government we are growing stronger economically. I would suggest that we be non-partisan enough to give credit where credit is due so that new industries will locate with confidence in the Atlantic provinces and help to expand our employment opportunities.

The hon. member for Gloucester condemns this government for its lack of consideration of the problems facing these people of the Atlantic provinces. I ask him whether he is not aware of the Atlantic provinces adjustment grants which provided $100 million in the last four years to the Atlantic provinces and which will be increased to $175 million in the next five years with an additional grant of $8 million per annum to Newfoundland, in order to bolster our economy and to provide services to our people, which they could not otherwise afford owing to the disparity in our income. In his report Mr. Gordon went from 1926 to 1956, and with the exception of the five year period 1930 to 1935, this country was under the rule of a Liberal government. During those years the disparity in our income in the Atlantic provinces was as high as 38 per cent in relation to those in the rest of Canada. However, I cannot recall any member of the Liberal party advocating adjustment grants during those years and they are against them today; because Mr. Gordon has recently stated that he does not approve of ad hoc projects and handouts.

Another point worth mentioning is that these Atlantic provinces adjustment grants have no strings attached. They can be distributed at the discretion and pleasure of the four Atlantic premiers and there is no pressure brought to bear by this federal government as to how they will spend this money. As a result, we see today in the four Atlantic provinces, the greatest road building, school construction, and industrial assistance programs in our history, and our present population in Nova Scotia of 727,000 gradually increasing.

While I welcome the announcement in the speech from the throne that a new ferry will be built to serve between Nova Scotia and Newfoundland I would also urge upon the government that further consideration be given to establishing a second ferry between Nova Scotia and Gloucester, Massachusetts. At the present time discussions are under way between Premier Stanfield and Governor John Volpe of Massachusetts, and a meeting was held in Boston on February 19, to discuss various proposals on this matter. In the opinion of many Nova Scotians, a second ferry service is required to supplement the one now provided by the M. V. *Bluenose* between Yarmouth and Bar Harbour, in order to increase our tourist industry which last year brought over $50 million in additional revenue from over 600,000 visitors. Nova Scotia is truly Canada's ocean playground with 5,000 miles of rugged shoreline, scores of sandy beaches, thousands of lakes and streams and a temperate climate. The present proposal is to have a second ferry operate from Gloucester, Massachusetts, to a port along the south shore, a trip of 10 to 12 hours, depending on the port chosen. When we realize that 33,800,000 people live within

a day's travel of Gloucester which is only 32 miles from Boston and 250 miles from New York, we get some idea of the tremendous tourist potential from this area. As Nova Scotia's fishing industry is expanding, and we ship over 75 per cent of our catch to the United States market, this additional ferry would also provide an improved service to this vitally important Nova Scotia industry. I hope the minister of trade and industry and the Minister of Transport will give careful consideration to this proposal so that steps may be taken to provide this additional service and improve still further the economic development of Nova Scotia which has made great forward strides under the present Conservative government.

Mr. Fisher: May I call it six o'clock?

BUSINESS OF THE HOUSE

Mr. McIlraith: I should like to ask the house leader to indicate the business he proposes to submit for consideration of the house tomorrow and Friday.

Mr. Churchill: We will continue with this particular debate and conclude it tomorrow. On Friday, subject to change with due notice, the further supplementary estimates will be taken up.

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

HOUSE OF COMMONS

Thursday, February 22, 1962

The house met at 11 a.m.

GRAIN

WHEAT—FINAL PAYMENT ON 1960-61 CROP; INCREASED INITIAL PAYMENT ON 1961-62 CROP; ISSUE OF ACREAGE PAYMENT CHEQUES

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I wish to report to the house in connection with the final payment for the 1960-61 wheat pool account, and advise that because of the increased volume of wheat exports it is now possible to close this account and increase the initial payment for wheat delivered during the current crop year.

As at the close of business, February 28, 1962 the board will close the accounts for the 1960-61 pool account for wheat in order that a final payment can be issued to producers. The final accounting will be completed as rapidly as possible and the issuance of final payment cheques will commence not later than April 2. This payment we hope will be completed on or before April 30, which will correspond to the time of heavy costs during seeding operations by grain farmers. Producers delivered 392,824,536 bushels of wheat into the 1960-61 pool account, and the final surplus for distribution will not be known until the accounting is completed.

Effective March 1, 1962 the initial price paid to producers who deliver wheat to the 1961-62 pool account will be increased as follows:

(1) 10 cents per bushel on all wheat other than Durum, whatever the grade, including all grades of sample and mixed wheats.

(2) 75 cents per bushel on Durum wheat grading No. 1 to No. 4 including Extra No. 4, toughs, damps and all off grades.

In respect of deliveries by producers in the 1961-62 pool account for wheat for the period August 1, 1961 to February 28, 1962, both dates inclusive, an adjustment payment will be made to producers at the rates which I have previously stated in order to raise the deliveries for this period to the new and higher price level which becomes effective March 1, 1962. The increase and the adjustment payment of 10 cents per bushel will bring the initial price of No. 1 Manitoba northern wheat to $1.50 per bushel basis in store Fort William, Port Arthur or Vancouver. In the case of Durums, the increase and the adjustment payment of 75 cents per bushel will bring the initial price for No. 1 Canada western amber Durum to $2.50 per bushel basis in store Fort William, Port Arthur or Vancouver.

The adjustment payment will involve a distribution of approximately $20 million. The issuance of cheques for this payment will commence around the beginning of May, following the completion of the final payment for the 1960-61 pool account, and will be completed on or before May 28, 1962.

I would also like to inform hon. members that on February 19 last the Canadian wheat board commenced the issuance of cheques on the 1961-62 acreage payment. This payment, involving approximately $42 million, will be completed not later than March 16 to the holders of wheat board delivery permits which have been issued to that date.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I know that all in western Canada will be glad to hear that it is possible to make a larger initial payment, particularly this year because there is a shortage of cash in western Canada as a result of the poor deliveries which resulted from the lack of moisture last year. Farmers will also be interested, I know, to hear from the government very soon as to whether the first payment on the nine months' credit extended in connection with the special sales to China has been made by the China Resources Company. I believe that payment is due in a few days.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on behalf of representatives of the prairie wheat farmers in this group—

Some hon. Members: Oh, oh.

Mr. Herridge: —I want to say that we welcome this announcement as a further relief to the prairie farmers in their present distressed situation.

[*Later:*]

On the orders of the day:

Mr. R. L. Hanbidge (Kindersley): I should like to direct a question to the Prime Minister. Is it the intention of the government to increase the initial payment on wheat for the 1962-63 crop year to $1.50 per bushel, and to make it on a permanent basis?

Mr. Diefenbaker: The wheat board has not so recommended, Mr. Speaker. My understanding is that the Minister of Agriculture will take up this question with the wheat board on his return.

UNEMPLOYMENT INSURANCE

INCREASE IN ALLOWABLE EARNINGS OF DEPENDANTS

Hon. Michael Starr (Minister of Labour): I wish to bring to the attention of hon. members a change in the regulations of the unemployment insurance commission relating to the allowable earnings of dependants consequent upon the recent increase in old age pensions. Previously, under unemployment insurance dependancy regulations, dependants were permitted to have an income of up to $14 per week. The recent increases in old age pensions will have the effect of bringing the income of senior citizens across Canada to $65 per month, which brings them above the present permissible ceiling.

The commission has now approved a change in regulations bringing the allowable earnings to $20 per week, which will mean that a senior citizen can still be claimed as a dependant by a member of his family who is a claimant and is his sole support. The same regulation will, of course, apply to all dependants whether senior citizens or otherwise. The new regulation is effective February 1, and if any adjustments are required to cover interim cases they will be made accordingly.

Mr. Harold E. Winch (Vancouver East): May I say that we in this group welcome very much the statement which has been made by the Minister of Labour. We sincerely hope that the lead which has been given will be followed by other ministers in other departments, and particularly in the Department of Veterans Affairs with respect to recipients of the war veterans allowance who are also affected in a similar manner.

VETERANS' LAND ACT

AMENDMENTS TO EXTEND QUALIFICATION PERIOD, ETC.

Hon. Gordon Churchill (Minister of Veterans Affairs) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Veterans' Land Act to extend the period during which a veteran may qualify for benefits; to establish dates on which persons shall be deemed to be discharged; to extend the repayment period of loans; to enable the director to arrange group life insurance for veterans on a voluntary basis; to increase the rate of interest where a property reverts to the director; to increase the maximum assistance under part II; to provide further financial assistance to certain full time farmers; to provide further financial assistance to part time farmers and commercial fishermen; to extend the purposes for which a part III loan may be used; to extend the uses to which proceeds of a sale or other disposition of land may be put; and to provide for the release to a veteran of a portion of the land on which he is established.

[Mr. Hanbidge.]

Motion agreed to.

CANADA COUNCIL

REFERENCE OF REPORT TO PUBLIC ACCOUNTS COMMITTEE

On the order: Government notices of motion:

February 20—The Prime Minister—The following proposed motion:—

That the report of the Canada Council for the fiscal year ended March 31, 1961, laid before the house on July 1, 1961, be referred to the standing committee on public accounts in order to provide for a review thereof pursuant to section 23 of the Canada Council Act.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

PUBLIC ACCOUNTS

REFERENCE TO STANDING COMMITTEE OF PUBLIC ACCOUNTS AND REPORT OF AUDITOR GENERAL

On the order: Government notices of motion:

February 20—The Minister of Veterans Affairs (for the Minister of Finance)—The following proposed motion:—

That the public accounts, volumes I, II and III and the report of the Auditor General for the fiscal year ended March 31, 1961, and the financial statements of the Canada Council and the report of the Auditor General thereon for the fiscal year ended March 31, 1961, be referred to the standing committee on public accounts.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

TRADE

JAPAN—NEGOTIATIONS RESPECTING QUOTA ON PLYWOOD

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Minister of Finance. I know he is absent because of government business. I

wonder, therefore, if the acting minister could take notice of my question and perhaps answer tomorrow.

Would the minister tell the house whether there are negotiations presently going on in Ottawa between representatives of the Japanese government and the Canadian government with respect to establishing a quota on Japanese plywood coming into this country?

Hon. George C. Nowlan (Acting Minister of Finance): I shall take notice of this question and see that it is answered at an early date, Mr. Speaker.

CUBA—MEETING OF AMBASSADORS RESPECTING U.S. EMBARGO

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, in the absence of the Secretary of State for External Affairs I should like to direct a question to the Prime Minister, and I am sorry I was not able to give him notice. Can the Prime Minister inform the house whether the Canadian ambassador to Cuba and other ambassadors of the NATO countries were convoked by the Cuban authorities in Havana concerning the United States embargo on Cuba? If so, would the Prime Minister comment on the conclusion of this meeting and the Canadian position in this matter?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that, of course, is a question that requires to be given consideration. I shall take the question as notice.

CANADIAN PACIFIC RAILWAY

ROSSLAND, B.C.—REPORTED DECISION TO REMOVE STATION AGENT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Prime Minister. I apologize for not giving him notice, but my telephone has been ringing incessantly this morning. In view of the recent decision of the board of transport commissioners to remove the agent from the station at Rossland, a city of over 4,000 population, and in view of the strong protests by the city council, the chamber of commerce and the population of that city, would an appeal to the governor in council against this decision receive consideration?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I shall have to study the implications of that question before giving an answer.

SHIPPING

NORTH SYDNEY—STATEMENT ON ICEBREAKING SERVICES

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, on Monday last the hon. member for Cape Breton North and Victoria inquired concerning icebreaking facilities at North Sydney.

I have made inquiries and find that this winter the icebreakers *Labrador, McDonald, Wolfe, d'Iberville* and *Alexander* all operate from Sydney, and their task is to provide icebreaking assistance to any vessel requiring it. However, the number of icebreakers available precludes the possibility of assigning one or more to any specific port although Sydney and North Sydney have some advantage over other ports in that the icebreakers return there for fuel and stores. No icebreakers have been diverted from the area during the past two weeks.

While North Sydney is the regular port of handling for Newfoundland traffic, it is the case that the Canadian National has found it necessary to divert its ships, with the exception of the *William Carson,* while there are difficulties with ice conditions.

FISHERIES

NEW BRUNSWICK—REPORT ON OYSTER TRANSPLANTING PROGRAM

On the orders of the day:

Mr. H. J. Michaud (Kent, N.B.): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. Has the minister any report to make on the program of transplanting disease free oysters to the New Brunswick waters?

Hon. J. A. MacLean (Minister of Fisheries): I wish to thank the hon. member for Kent, N.B., Mr. Speaker, for giving me notice of his intention to ask this question.

I am happy to advise the hon. member that the three year program to transfer a total of 10,000 barrels of disease resistant oysters from Prince Edward Island to the affected areas of New Brunswick and Nova Scotia has been completed as scheduled. There now remain only isolated areas such as Miscou island, where mortalities have only recently taken their toll. Transplants are planned for these this year. The last reports from the sampling last autumn give room for more than cautious optimism that the experiment has been a success, and that we can expect the oyster stocks to rebuild.

I should like to add that although the cooperation of the local fishermen has generally been excellent, there are one or two areas

where some of the transplanted oysters have been illegally or accidentally removed but not to an overall serious extent.

SUGGESTED TRANSFER OF COLD STORAGE SUBVENTIONS

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Fisheries, who I understand is also Acting Minister of Agriculture. My question is this. What progress is being made toward transferring the administration of cold storage subventions from the Department of Agriculture to the Department of Fisheries in so far as those subventions apply or might apply to fisheries products cold storage warehouses, in order that the fullest possible consideration may be given to any applications and in order also that it may be easier to lift the $50,000 ceiling on such subsidies which exists at the moment?

Hon. J. A. MacLean (Minister of Fisheries): I can advise the hon. member that this question has been studied and that we have come to the conclusion, perhaps not finally but for the time being at least, that it would require considerable duplication of staff to divide the responsibility for the administration of this act between the two departments. However, I can assure the hon. member that in a case where applications apply to facilities which are intended for the use of fish, there is close co-operation between my department—I refer to the Department of Fisheries—and the Department of Agriculture.

With regard to the final part of the question, as to the lifting of the ceiling on the amount of the subsidy in each case, I have nothing to report on that matter at this time.

AIR TRANSPORT

C.P.A.—APPROVAL OF FLIGHTS FROM WESTERN CANADA TO LONDON

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Minister of Transport. Has any progress been made with the British government in connection with landing rights in London on behalf of Canadian Pacific Airlines on its route from western Canada to the United Kingdom, which was announced last session? Can the minister make a statement on the present position of the matter?

Hon. Leon Balcer (Minister of Transport): I have been carrying on correspondence with Right Hon. Peter Thorneycroft on this matter, and there is an agreement between the two of us that preliminary talks will take place the middle of next month.

[Mr. MacLean.]

Mr. Chevrier: I wish to ask a supplementary question. Is B.O.A.C. asking for additional rights in Canada in exchange for the C.P.A. landing rights in London?

Mr. Balcer: No.

NATIONAL DEFENCE

POSSIBLE CHANGE IN ROLE OF ARMED FORCES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): In the absence of the Minister of National Defence I should like to direct a question to the Associate Minister of National Defence. Has he noted the announcement by the United Kingdom government of its decision to emphasize the role of its armed forces as that of a highly mobile, conventional force? If so, can he advise the house whether any thought is being given to a similar Canadian policy, in order that our forces may make their fullest contribution in opposing aggression and maintaining peace throughout the world?

Mr. Speaker: The hon. member is really asking for a fairly important declaration of policy in answer to a question. If the minister wishes to deal with it he is, of course, at liberty to do so, but I would think the question is not an appropriate one for orders of the day.

EXERCISE "GREAT BEAR"—STUDY OF RESULTS

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Associate Minister of National Defence. Has the minister yet had a chance to study the results of exercise Great Bear, a joint manoeuvre including 8,000 United States troops and A company of the second battalion, Princess Patricia's Canadian Light Infantry from Edmonton? If so, does he intend to recommend the acquisition of any new mobile equipment?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I have no comments to make on this matter. I have not yet seen the report on this exercise yet.

CIVIL DEFENCE

ARNPRIOR—DISCONTINUANCE OF RESCUE COURSES

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. I sent him notice, but unfortunately it may not have reached him in time for him to review the matter. Does the government plan

to discontinue the rescue section of the civil defence course at Arnprior this coming summer and, if so, what is the reason for the decision?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, at the federal-provincial conference last November there was discussion by ministers and officials of the possibility of reducing the courses at Arnprior. It was pointed out that the army has taken over the greater part of the rescue training for emergency purposes and also that the provinces, with federal help, would gradually be undertaking their own rescue training operations. Consequently, while there is no specific date set, Arnprior probably will be closing at some time in the future.

Mr. Hellyer: When the minister's estimates are before us, I wonder whether he would give us in more complete detail a review of how these same functions will be carried out by the Department of National Defence or, failing that, why the financial burden should be unloaded on the provinces, which are already hard pressed.

Mr. Speaker: Order. The hon. member recognizes that his statement is one for the estimates.

ROYAL CANADIAN NAVY

REPORTED SEARCH FOR SUBMARINE OFF PACIFIC COAST

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Associate Minister of National Defence. Can the minister report to the house regarding the activities of H.M.C.S. *Skeena* off the coast of British Columbia in looking for submarines?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, there is nothing to report on the activities of the *Skeena*. It has been stated before in the house in answer to similar questions that it is not considered to be in the public interest to report on such activities as those in which the *Skeena* is now engaged.

COURT MARTIAL FOLLOWING ACCIDENTAL SHELLING OF U.S. COAST

On the orders of the day:

Mr. Frank Howard (Skeena): I wish to ask the Associate Minister of National Defence whether it is correct that Commander Leir of H.M.C.S *Skeena* is to appear before a court martial as a result of the accidental shelling of the United States mainland from the Juan de Fuca straits.

Hon. Pierre Sevigny (Associate Minister of National Defence): This matter is sub judice, and as such I do not believe it should be discussed in the house.

CANADIAN NATIONAL RAILWAYS

DISCUSSIONS RESPECTING PURCHASE OF PACIFIC GREAT EASTERN RAILWAY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of Transport. Has the Minister of Veterans Affairs brought to his attention the question I asked yesterday with respect to any proposals for the purchase of the Pacific Great Eastern Railway by the Canadian National Railways?

Hon. Leon Balcer (Minister of Transport): Yes, Mr. Speaker, and the answer that was given by my colleague to the effect that such a question should be on the order paper was also brought to my attention.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, February 21, consideration of the motion of Mr. Rodrigue Bourdages for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. D. M. Fisher (Port Arthur): Late last Sunday afternoon a Montreal newspaperman called Oliver Clawson located me at a public gathering in Toronto. When I was given his phone number I thought to myself "Good lord, what have I said now about Quebec. What does he want to know?" When I got talking to him he asked what I knew about the departure from the New Democratic party of its house leader, Mr. Hazen Argue. I laughed at him and told him to roll that hoop in another direction. He insisted that a statement on Mr. Argue's defection was imminent and asked what did I think about it; had I talked it over with Mr. Argue; how was I sure this was just a gimmick of Mr. Thatcher, and how well did I really know Mr. Argue?

When I had finished the conversation I thought I had straightened Mr. Clawson out, but within a few hours my self-satisfaction was shattered. A news broadcast said that Mr. Argue, at a press conference attended by Mr. Thatcher, had announced his departure from the New Democratic party; that he had found the party was dominated by a

labour clique, and that dark and sinister things were abroad in Canada. The shock to me was overwhelming. This almost seemed like a fantasy, but it turned out that it was not a fantasy, though one part of the story was and is.

My colleagues in this party, particularly the three who joined with me in supporting this man for the party leadership, have asked me to speak in this debate about our departed colleague. It is my duty, I feel, because some of the responsibility for what happened is certainly mine. Further, this departure was accompanied by comments of its author which hinted that other members of this parliamentary party shared his views and would soon follow him. There is nothing in this; we are in, of, and for the party.

Mr. T. C. Douglas commented last Sunday over his shock and said that of course it was Mr. Argue's own business and up to his own conscience. We here, his former colleagues, take no issue with any hon. member or any citizen changing party allegiance in order to be more at home with his conscience and principles, and apparently Mr. Argue has almost found such a spiritual home, in the political sense, with the Liberal party. We wish the party well with him. Looking at it in the light of the rise to prominence of another C.C.F.'er in that party, like Mr. Thatcher, we can see how valuable a political training framework has been provided by J. S. Woodsworth, M. J. Coldwell and others. No; there is no real issue so far as we are concerned with freedom of choice about this.

Indeed, it has been my own personal view that there has been too much of a fetish about hide-bound partisanship in politics in Canada. My good friend from Kootenay West (Mr. Herridge) was once a supporter of the Liberal party, as was my hon. friend from Brome-Missisquoi (Mr. Grafftey). So was the Prime Minister, and I once acted as poll clerk and scrutineer for the Liberal party. It is hard for me to say that this kind of experience tainted me. So, Mr. Speaker, there are no recriminations on the right of this man to switch, or on the party he is embracing. After these remarks we shall not take up the time of the house again this session on the departure from this place of honour on the part of the hon. member for Assiniboia, but we must take up the reasons given with such cool, deliberate malignity for resigning from the party.

Mr. Speaker: Order. I think the hon. member, in attributing malignancy to another hon. member, is trespassing upon the proper rules of conduct among hon. members.

Mr. Fisher: I will withdraw the word "malignity", but I think it is certainly fair to say "given so coolly and deliberately for resigning from the party". Essentially these are contained in the last paragraphs of the initial statement which he made. Of course this statement has been enlarged and garnished by its author, and the tale will probably grow with each telling. However, let us look at these paragraphs:

> The N.D.P. has now become the tool of a small labour clique and is effectively under their domination and control. The N.D.P. has come more and more under the control of a few labour leaders, mainly within a few large and powerful international unions.
>
> Labouring people, as with other citizens, have a right and obligation to take part in political activity, but it is in their best interest and in the interest of democratic government, that this action be taken as individual party members and not as representatives of a controlling class bloc within the party. Class control of a national political party now acquired within the N.D.P. constitutes a dark and sinister threat to democratic government in Canada.
>
> This challenge to freedom is real. This challenge to freedom, I shall oppose and expose.
>
> To this task I shall devote all my strength and energy. I do this in the defence of freedom and in the interest of my country.

You will forgive the zest I put into that reading, Mr. Speaker. It was as though John Blackmore or Ross Thatcher were nudging me.

The conception of the New Democratic party received public notice in April, 1958, at the C.L.C. convention in Winnipeg, shortly after the great triumph of the Prime Minister and his party in March. As a result of that election there was a total collapse of the Social Credit party and a debacle for both the Liberal and the C.C.F. parties. Our leader, Mr. Coldwell, was defeated although he undertook to carry on outside the house for a time. Then in the summer of 1958 the C.C.F. decided to join with the C.L.C. in a new party program.

The hon. member for Assiniboia had been chosen as our house leader, and he took part in the committee that was formed to set up the New Democratic party. We had two members of our caucus on the committee that was planning the new party; one was the hon. member for Vancouver East (Mr. Winch) and the other was the hon. member for Assiniboia. Throughout the whole period from 1958 to 1961 this man was or could have been in on all the deliberations, most of which were held in Ottawa where he was working and living. Remember this point; throughout the whole period he was at the heart of the whole project, from 1958 to the founding convention. In all that time and at all those many

meetings the other members of this committee cannot remember a single substantial objection raised by the hon. member for Assiniboia about labour representation in the party, labour affiliation with the party or labour finances in the party. Perhaps they have forgotten. Perhaps they are not telling the truth. Perhaps they have forgotten, but I have some memories on that very question. You see, one of the greatest doubters in the C.C.F. about this whole problem happened to be me.

In three articles given such wide prominence by our ever-loving press, in a statement to an Ontario C.C.F. convention, I reviewed the possible weaknesses of labour support. Did the hon. member from Assiniboia, from 1959 to the founding convention, ever join me publicly or privately in such fears? Not once, Mr. Speaker, not once. Repeatedly he was questioned, particularly by the hon. member for Kootenay West and by me about what was going on in those planning sessions. All we got was the general answer that everything was great. Which member of the caucus at this time was stamping around the nation talking to every trade union audience available, and carrying what message? I should just like to read what the general message was:

> Farmers who today constitute only some 12 per cent of the population are still a major key to political success. Almost half of the electoral polls are still classified as rural. But if the farm vote is a key to political success so is support from labour necessary if the farmer is to be a political partner in government. The working people in the factories and on the farms have every reason to unite.
>
> The problem facing both is that the great wealth of our nation is being concentrated in the hands of fewer and fewer people.

This was the message that was carried across the country by the hon. member for Assiniboia.

Mr. Broome: Will the hon. member give the source?

Mr. Fisher: Yes, the source is an article by Mr. Hazen Argue that appeared in the founding edition of the New Democratic party paper, *The Commonwealth,* on page 18. That was the hon. member for Assiniboia from 1958 to August 2, 1961. And his star ascended. The C.C.F. held a national convention in 1960 at Regina. The house was sitting at the time. We sent our house leader off from here with our blessing. "Seek the C.C.F. national leadership", we told him. Mr. Coldwell was retiring. We said, "Let us not have any hiatus before the founding convention. You take the leadership". He promised that he would run for the post.

I arrived late, at the Regina convention, to find that our friend had agreed not to run and had decided to withdraw. We were going to have a hiatus. My friends in the caucus and I did not particularly like this, so we got together at that convention and we got the hon. member for Assiniboia to change his mind. I have confessed my responsibility in this. I think this is the incident that really began to put responsibility on me for what has happened. In an exciting switch at that convention, and with some recrimination, the hon. member for Assiniboia became the C.C.F. national leader one year before the New Democratic party founding convention.

Some people were very bitter about this. I was blamed for much of it. I would not like to show hon. members some of the letters I received about my activities at that convention in supporting the hon. member for Assiniboia. My stock with both C.C.F. leaders and trade union leaders went to a new low, but I did not worry about it and I did not think the hon. member for Assiniboia was worried about it.

The other members of the caucus were pleased and proud to have him as our national leader. In the next year, and again particularly at my urging, he announced his candidacy for the New Democratic party leadership. Some old time C.C.F.'ers came and remonstrated with me. They said "Mr. Argue promised he would not run for the leadership if Mr. Douglas was going to run". Again we ignored this; we supported our leader. We said "He is a good fellow to get along with; he is working hard in the house. Even if Tommy Douglas does come into the house we will support him". We knew it would be an uphill fight, but a fight is worth a chance and you can only get beaten, and I discovered from the man I first beat that there is no disgrace in being beaten. As a matter of fact I can say from that experience that there are perhaps reasons for pride.

Anyway, we had the leadership control of the C.C.F. in the hands of our house leader. Mr. Douglas during this time stayed fairly close to Regina, and our C.C.F. national leader ranged the nation with tremendous vigour appealing particularly to trade unions. There is not much point in noting his development of a radical or socialist position as distinct from a more moderate one, or in introducing the championship he gave to the "Get out of NATO" movement. These two approaches of course struck responsive cords among the representatives of the trade unions and universities. Those travels from January to August, 1961 of course cost a considerable amount of money, more than $5,000.

Mr. Argue: Mr. Speaker, I rise on a question of privilege. That figure is completely inaccurate and false, and I ask the hon. member to withdraw it.

Mr. Fisher: I will not withdraw the figure. I have seen the figure, and that is what it is. This raises—

Mr. Argue: That is not true; that is absolutely untrue.

Mr. Fisher: This raises this tricky matter of trade union money—

Mr. Argue: That is a false statement. On a point of order, Mr. Speaker, the hon. member has referred to a certain figure. I have denied the accuracy of that figure and I think he has to accept my word for it, under the rules of the house.

Mr. Speaker: Order. The hon. member does not have the floor. If he wishes to disagree with what has been said, it is his privilege to do so; but if it is a disagreement I think it could more properly be made as an explanation at the end of the speech of the hon. member for Port Arthur.

Mr. Fisher: The sum is not in question. The money to pay for all this travelling came through the C.C.F. This is not a confession; we all knew, including the hon. member for Assiniboia, that most of this expense money and the greater part of his salary as official leader came through the Canadian trade union movement.

Mr. Speaker: Order. May I ask the hon. member to consider the relevancy of some of the things he is saying. This is a debate on the address in reply to the speech from the throne, not on a motion to condemn a member of parliament for his conduct.

Some hon. Members: Hear, hear.

Mr. Speaker: I would consider that only matters which are of public policy and interest in the affairs of his party would be relevant, and that personal, internal and other matters are not matters of relevancy in a debate of this kind.

Mr. Fisher: Mr. Speaker, on the point of order you have raised I should like to point out that the reason given in this house by the hon. member for Assiniboia for departing from the party was trade union control, or that the labour clique was controlling the party. I am going to go into this contribution of the trade union movement. I am going to try to paint the picture of trade union participation.

Mr. Speaker: I understood that was what the hon. member wished to speak about, and of course I would not object to his dealing with that issue; I would consider it relevant. I am not objecting to any specific thing except that it seemed to me the hon. member was introducing many personal episodes which are not matters for public debate. He was verging on that, and I just wished to caution him as he proceeded.

Mr. Fisher: The point I wish to make is that the money came largely from the trade union movement in Canada, particularly from the trade union movement in Ontario, and more particularly from three unions, auto, steel and the packinghouse workers. I knew it and so did the other members. It was never any secret, and anyone who looked at our books at the founding convention could have seen it. The C.C.F. books are always open at conventions. This is the way the matter was. I knew where the money came from; I assumed that the hon. member for Assiniboia also knew, and I do not remember that he ever protested. In fact, because of the dearth of funds in the old C.C.F. it was very difficult to meet some of the expenses that occurred, and again our friends in the trade union movement were instrumental and sympathetic in providing this money.

However, I will get away from that part of it. Let us go back to the Coliseum and the convention. I was the nominator at that convention, and I was very honoured and proud to nominate the hon. member for Assiniboia. We know the result. I emphasize the result. We were very badly licked. We were neatly, soundly and completely licked at that convention. Some of us have been licked before; and while it was grim, there it was. My own personal chagrin, in sympathy with the hon. member for Assiniboia, was that we had been outsmarted and outmanoeuvred, but all this disappeared in the magnanimous way in which our candidate for the leadership threw himself behind Mr. Douglas: "I shall never let you down".

The convention ended and, the house resumed in September. The hon. member for Assiniboia, because of ill health, was not here for much of that time, and the session ended fairly quickly. Everything was quiet throughout the fall. This house did not resume until January 18. As chairman of the caucus of our party and as a friend I wrote the hon. member for Assiniboia and tried to get in touch with him a number of times. I was solicitous about him, how he was, what he was doing, had he recovered from the tremendous strain and effort he had made. I got no reply at any time.

In Montreal in November I met a minister of the crown. He came up to me, took me

to one side, and said in a friendly way, "I have a tip from Saskatchewan for you from a reliable source. Your house leader is going to the Liberals shortly after the new session opens". I pooh-poohed this. I said it was nonsense. I wrote to our leader and put the question directly to him. I pointed out to him that I had received tentative offers from the party that he was rumoured to be joining—

Some hon. Members: Oh, oh.

Mr. Fisher: I pointed out to him that the surface advantages were very apparent. But again I got no reply. I took several other steps to try to find out what was going on, because after all I had nominated the gentleman; he was a friend of mine. I could not find out a thing; there were just these rumours.

The session opened last month on the day the by-election results from Ontario came in. These results were disappointing to the New Democratic party. Our leader issued a statement underlining labour's failure in Ontario. Between that night and a week last Friday he and I had many conversations about the party's strength and development, its future prospects both in the long and in the short range, the performance of the trade unions and their leaders, and these persistent rumours about a possible switch on his part to the Liberal party. I find now that within a few hours of his denying to me that he had ever seen Mr. Thatcher to speak to in recent years, he was closeted with him. I find now that when the national council of the Liberal party met here not too long ago they were told by Mr. Thatcher that the hon. member for Assiniboia would deliver himself over to the Liberals on call, and that the call would probably be forthcoming on February 20.

All this is not really important, except to me. Its importance lies in the denials he has made to the questions I put to him. After all, there have been past precedents for switches and changes. Most of us remember Ramsay Macdonald. The only thing that is important in any way at all is this charge about labour cliques and labour domination. In our conversations about this we agreed that the election failures in Ontario stemmed from slowness of support by the trade union leaders. It was not that there was a small group in control; it was just that the labour leaders were slow in coming through, showing a reluctance about giving a strong lead in developing more affiliations and more memberships. The C.C.F. part of the New Democratic party seemed to be doing very well, but not the trade union leadership. This was some clique. Some dark and sinister plot.

After our conversations I returned to my constituency and so did the hon. member for Assiniboia, and he did not come back until he had made his statement about leaving the party. I have since tried to reflect upon what the reasons for the change might have been, to guess what might have passed between the time I last saw him and the making of the announcement last Sunday. I look at the political situation, and I see that in Saskatchewan the policies of the Minister of Agriculture (Mr. Hamilton) are receiving considerable support. I can see that somewhere in the constituency there may be rumours that things are difficult for the C.C.F. government in Saskatchewan at the present time. I can see that someone could look at the Conservative party in this house—it seems to be doing very well on the prairies—and think there are 16 members from Saskatchewan and there are two cabinet ministers from Saskatchewan; there is not much future here. I thought that from a conversation I had about this very point. An article which had appeared in *Maclean's* was brought up between the hon. member for Assiniboia and myself. This whole question about what Mr. Douglas would do if, after the next election, a balance of power resulted as between the major parties, was discussed. The suggestion made in that article was that in such an event Mr. Douglas would move his group into the Liberal party here and form a coalition. I said at the time that this idea might sound all right but it did not make sense. Look at the political situation which would arise provincially as the result of such a rapprochement. What would be the effect between Mr. Thatcher and Mr. Lloyd in Saskatchewan. Would Mr. Wintermeyer welcome Mr. Donald MacDonald into his arms in Ontario?

An hon. Member: Never.

Mr. Fisher: I take it hon. members can judge what the answer is. Anyway, that really closed the conversation we had on the whole question as to whether in the future we were going to become part of the Liberal party. I certainly cannot say that the explanation which has been given about what has taken place can ever satisfy me. I cannot say I think I shall ever find out what constituted the key factor in the complex which led to the change. I know that many of my colleagues in the New Democratic party, in this tremendous reaction which is going to take place in the labour movement in response to the charges which have been made, are going to kill themselves to see that the hon. member for Assiniboia is not re-elected to this house.

Maybe this is a case again of being the odd man, but I do not really feel that way. I should like to imagine the hon. member back in this house, maybe in a growing Liberal party as the heir of Jimmy Gardiner. I may be here to watch it, but perhaps I shall be back in a school room teaching some children. I should like to be able to say that once I knew that politician very well; and I think I can tell those children that he was a very likeable fellow.

Mr. M. D. Morton (Davenport): My first words must be words of congratulation to the mover and seconder of the address in reply to the speech from the throne for the constructive way in which they presented their points of view. I wish also to extend my congratulations to the member for Pontiac-Temiscamingue (Mr. Martineau) on his appointment as Deputy Speaker and to the hon. member for Quebec South (Mr. Flynn) on his appointment as Minister of Mines and Technical Surveys.

My purpose in taking part in this debate today is to express some points of view on matters which affect the people in my riding. Before dealing with specific topics, however, I cannot but comment on the desperate efforts of the Liberals to confuse the issues before us at the present time. There is no denying that we are faced with many serious problems for whose solution understanding, study and sincere effort are needed. But the government, by very active programs, has been seeking remedies for these difficulties. The Liberals, on the other hand, want to take credit for the years of prosperity in a prosperous world, and then to blame the Conservatives for economic difficulties in this country which have been brought about by world conditions and world trends.

The opposition ignores the fact that the factors which led to our present economic difficulties were ever present when a Liberal administration was in power. It is not to their credit that a world war and the Korean war provided prosperity and economic development in the absence of competition from industrial countries which had been destroyed by those wars. Nor it is our fault that the competition offered by a restored Europe and Japan has limited the prospects for our own trade expansion and seriously challenged our trade in our own markets; or has this party caused automation and other trends which have brought about changes and unemployment. The Canadian people were not prepared for these changes, and no provision was made to meet growing competitions from abroad.

I blame the Liberal party for this; they were blinded by temporary prosperity, and did not see the warning signs. Their hindsight is more vocal than their barren foresight. It is easy during times of war to establish secondary industries fed with cost plus contracts. It is much more difficult to expand and create industries when conditions are more competitive. The Liberals floated in the ship of state on the high waters of good times without a rudder or compass. They just floated with the tide. On the other hand this government since it came into power has given assistance to every part of our economy, to every province of our nation.

I do not have time to list all that has been done to assist the farmers, the miners, the businessmen and industry, or the social benefits which have been returned to our people, but I am sure those who have received such benefits can judge how hollow are the present promises and lamentations of the Liberal party. I hasten to add, however, that although we have done a great deal to meet the problems of the day, we realize there are a great many more things to be done. We know that if our people are to enjoy the rich resources which are ours much thought, study and action must be undertaken; and because I have confidence in the leadership of our Prime Minister and the cabinet I know no effort will be spared and no suggestion ignored for the benefit of the country.

The Liberals have quoted statements indicating the attitude of people outside the country concerning Canadian development. I should like to place on the record one extract from a United States magazine entitled *Business Week*, issue of December 23, 1961. On the page dealing with Canada the following comment is found. After pointing out the difficulties on the Canadian horizon it said:

> Lying behind Canada's improved economic outlook for 1962 are the expansionary policies adopted by the Progressive Conservative government of Prime Minister John G. Diefenbaker last June, in the wake of the forced resignation of austere nationalistic James E. Coyne as governor of the Bank of Canada.
>
> With Coyne removed from a position in which he was able to obstruct expansionist policies, the Canadian government moved quickly to administer a strong dose of monetary and fiscal medicine to the Canadian economy. That medicine is now starting to take effect.

That is the comment of an outsider.

I wish to make a few remarks concerning trade, and particularly the common market. During September of last year I had the privilege, together with five other hon. members of this house, of attending the seventh commonwealth parliamentary conference in London, where members of legislature bodies from all parts of the commonwealth had the opportunity of discussing their mutual problems. This conference was composed of people representative of many races, cultures and

groups. All were concerned with trade and the development of their resources. All expressed great hope in the future of the commonwealth and stressed the need for mutual co-operation and assistance.

Great concern was expressed over the effect of the United Kingdom entering the European economic community, better known as the common market. All members expressed concern and pointed out the adverse effects on their economy that would flow as a result of the United Kingdom joining the European economic community, and referred to the loss of the imperial preferences established in 1932. Many would be more adversely affected in their trade than Canada, especially New Zealand, Australia, Ghana and Nigeria. Incidentally, India has based its next five year plan on the present trade arrangements with the United Kingdom and would be seriously affected.

In the United Kingdom opposition to entry into the common market cuts across party lines. Labour and Conservative members have spoken out forcibly against it. However, it is apparent that the majority of the leaders in politics and industry and in the labour movement in England feel that Great Britain must enter the European economic community for both political and economic reasons.

Mr. Speaker: Will the hon. member permit me to interrupt him in the interests of better hearing what he is saying. There are a great many conversations, I find, that are interrupting the train of thought of the speaker, and there are also some conversations behind the curtains which are disturbing the house. I wish hon. members would extend the usual courtesy to the speaker.

Mr. Morton: These people felt that the United Kingdom could not remain outside much longer and prosper. Also, her entry would add to the political and economic stability of Europe as a whole. They questioned how much of the economic benefits of the commonwealth could be maintained. Both, Hon. Mr. Heath and Prime Minister Macmillan assured the conference that if they had to choose between the common market and the commonwealth, Britain would choose the commonwealth. However, it was suggested that in any event the present basis of the imperial preferences might have to be reconsidered in view of today's circumstances.

The political future of the commonwealth is open to question if the United Kingdom joins the common market and it becomes a political union. The entry of the United Kingdom into the European economic community could open up a great new future or it could create great economic and political problems. I urge the government to make a very careful assessment and give reasoned leadership to prepare the people of Canada for the great changes which may take place.

It should be clearly understood that under the present terms of the treaty only European countries can join the common market, as set out in article 237. It is true that there is provision for associate membership under article 3(k), but this would be only on a colonial or dependency basis. There would be no representation in assembly, council or commission as set out in article 4. Within the common market group there is to be free and unrestricted movement of capital and persons. There must be a modification of local laws to assist the functioning of the common market and, of course, there are to be no tariffs between the member countries but a common tariff against the entry of goods from outside the countries.

I turn now to a growing problem created by our changing society, the place or role of the displaced workman who may be unskilled or middle aged. This person through no fault of his own may find himself without work. I know a great deal is being done by local employment offices to assist these people, but a great deal more remains to be done. I urge the government to double its efforts and research to help these people find new roles in our Canadian society.

The proposed pension scheme and especially portable pensions, relate closely to this problem, as does the workman who retires at age 65. I think there must be an over-all new approach to these interrelated problems to provide more hope to people who are caught up in the human problems created by these changes.

Another matter which I should like to bring to the attention of the government is the problem of municipal finance. The recent brief of the Canadian Federation of Mayors and Municipalities brought to our attention the great problem of municipal finance and requested federal assistance. Although we realize that municipalities are under provincial jurisdiction, their lack of finance could hinder the basic development of our country, and the works required could give much needed employment.

The federal government has already recognized the basic needs in its housing legislation, winter works programs and more recently loans to municipalities for the construction of sewers, as well as assistance, through the Minister of Labour to vocational and technical training. The question which arises is as to the best way of giving assistance within our constitutional responsibility.

A number of suggestions have been made. They include the extension of loans for specific projects which are required in the

rapid growth of our municipalities, such as loans for construction of sewers; the establishment of a municipal loan fund, with regard to which problems of administration could arise; the establishment of a provincial-municipal bank or financial corporation which could co-ordinate financing of all municipal requirements. The original capital could be obtained by dominion-provincial investment and, of course, municipal bonds could be placed on the market in a more orderly fashion. Also suggested is the establishment of the same type of institution in each province with the same function. This, of course, would be more within the spirit of the British North America Act, but questions have been raised as to whether all the provinces would be in a position to establish such institutions.

The problem is big enough and important enough, having regard to the effect on our national expansion, to warrant serious study and action by the federal government. I urge the government to study these proposals and others in order to ascertain the best possible solution.

Perhaps the house would be interested in the effect of immigration since the 1951 census on the ethnic composition of the population in Toronto, and in particular in my own riding of Davenport. This effect has been ascertained as the result of a study sponsored by the city of Toronto planning board in the summer of 1960. One of the most striking developments in the ethnic composition of the population of the city of Toronto during the period 1951 to 1960 was the decline in the percentage of people of British descent. The 1951 census showed that about 70 per cent of the population were of British descent. The 1960 figures showed that only 40 per cent of the population were of British descent.

During the nine years it is estimated that 385,500 persons moved into the metropolitan Toronto area from foreign countries. Virtually all these persons settled initially within the limits of the city of Toronto. Of the immigrants coming into the Toronto area, 33 per cent were British, 22 per cent Italian and 13 per cent German. Whereas in 1951 besides the British only Italian, Polish and German immigrants were the most numerous, by 1960 there were eight ethnic groups in addition to the British entering Canada, each numbering more than 20,000, namely Italian, German, Jewish, Ukrainian, French, Polish, Hungarian and Greek. In my riding it is estimated that the population is about 35 per cent Italian, 30 per cent British, 10 per cent Ukrainian, 10 per cent German and 10 per cent Polish. Toronto has become one of the most cosmopolitan cities in Canada.

This great inflow of human wealth which has brought a rich diversity of cultures and customs is evident also in many other parts of this country. It has challenged our ability to bring about a reasonable integration and the development of a Canadian culture which will reflect the contribution of all the various cultures.

At this stage of our history it is most important that we develop our pride in Canada and stress national unity. If we are to develop into a great nation we must provide the opportunity for all people to have one common ideal and ambition, and at the same time retain the best of their own cultures. Political union and national pride do not necessarily prevent the growth of local cultures. It is a paradox in this changing world that while many nations are pooling their sovereignties in order to ensure peace in the world, others are seeking independence in order to satisfy national pride. Within Canada we cannot afford, by drift and indifference, to encourage separate cultures to become separate political entities. We must be big enough and understanding enough to provide a political unity which will also give scope for various cultures to grow and enrich our future Canadian culture.

I hope the government will give leadership in this integration and national growth, and that by 1967 we shall have the outward symbols of unity such as one flag and the right to amend our own constitution. We are at the crossroads of our national growth and development. We face the dislocation of new international trade movements and the threat of communist expansion. Internally we are trying to grow nationally and to bring together the different groups, cultures and economic trends. If we cannot find a modus vivendi by which to achieve this national unity, how can we expect to achieve peace in the world at large? I hope that by 1967 we can celebrate the hundredth birthday of our country by showing real unity and national understanding, thereby providing opportunity for the human and cultural development of our many groups who have one thing in common, namely the welfare of Canada taking its part as a nation in the world, seeking peace and proving that communism is wrong.

(Translation):

Mr. Lucien Cardin (Richelieu-Vercheres): I am pleased to join my fellow members in this house in commending the mover (Mr. Bourdages and seconder Mr. Browne, Vancouver-Kingsway) of the address in reply to the speech from the throne.

I also want to congratulate the recently promoted members, wishing them great success in their new functions.

However, if we, in the province of Quebec, are able to rejoice with those promoted members and on their behalf, we have no reason to feel flattered by the theatrical and grotesque show to which the Prime Minister resorted in order to enhance some comparatively unimportant appointments. It is obvious that, in undertaking this trip to Quebec city, they tried to create an illusion of the Prime Minister's interest in the province of Quebec, without the Prime Minister having to take any action of equal importance which alone might have been considered a sign of true interest, even understanding as concerns that province.

To my mind, that whole pilgrimage to Quebec city was in very poor taste and showed an appalling lack of subtlety, as it seriously reflected upon the intelligence of the people of Quebec.

Does the Prime Minister really think that Quebecers would not see through such a gross propaganda screen?

We can evaluate the importance of the Secretary of State's (Mr. Dorion) appointment as chairman of the privy council. That post was vacant since 1957. In 1958, the Prime Minister indicated that it was an entirely unimportant post. He therefore appointed a minister from Quebec.

The appointment of the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) as parliamentary secretary to the Prime Minister obviously needs no comment.

Mr. Tremblay: I should like to know who wrote that.

Mr. Cardin: Therefore, why all the ceremonies and dramatics on the part of the Prime Minister, if not to make us believe that he attaches great importance to the ministers and members from Quebec, whereas, in fact, they neither control nor decide anything.

It is unfortunate that apparently the Prime Minister does not want to give his Quebec ministers the authority and responsibility that were enjoyed and used so well under the successive Liberal administrations. It is extremely insulting to see how offhandedly the Prime Minister looks down on Quebecers as imbeciles, incapable of making any distinction between light and shadow, in such an essential and important field as the management of their own country.

The Prime Minister must greatly underestimate the intelligence, the temperament and the patient yet eager determination of French Canada to play fully and effectively the part to which it is entitled in the administration of the country, since he has chosen to come and laugh at us on our own doorstep at a time of social and political upheavals.

Mr. Tremblay: Who has written your speech?

Mr. Cardin: This unhappy trip to Quebec confirmed in the mind of many people that, despite the promises made by the Prime Minister in 1958, under the pretext of favouring Quebec, he systematically rules out the Quebec element from an equitable and significant participation in the administration of the country, just as he ruled out the province of Quebec as a significant factor to win the 1957 election.

Mr. Tremblay: False representations.

Mr. Cardin: For those who might believe that I exaggerate—

Mr. Tremblay: You said that in 1958 and you were defeated.

Mr. Cardin: —I refer you to an article—

Mr. Tremblay: Tell us who wrote your speech.

Mr. Cardin: —published in *Le Devoir* of January 23. Mr. Clement Brown, who does not always flatter the Liberal party, wonders what could be in the Prime Minister's mind when he interprets as he does the answer allegedly given by the Leader of the Opposition (Mr. Pearson) at a press conference held, not in the province of Quebec, but in Nova Scotia, to determine who would decide about the national flag.

Mr. Pigeon: Tell us about the two flags.

Mr. Cardin: Why, Mr. Speaker, at a meeting in the province of Ontario, the Prime Minister twisted the answer given by the Leader of the Opposition to make him say that only Quebec ministers would decide on the national flag.

I am convinced that the distinguished Prime Minister, who claims to be the champion of national unity, would not have given such an interpretation to our leader's answer if the meeting had been in the province of Quebec, and yet nobody in Quebec would expect or like Quebec ministers to decide alone about the choice of our national emblem. To me, however, it seems perfectly normal that the ministers from Quebec as well as the other ministers should decide

together, not only about a distinctive flag, but any other question of national importance. Unfortunately, such is not the government's policy.

Recently, when the Prime Minister was asked if he would consider the establishment of a royal commission to study all aspects of bilingualism, he did not say that he would consider the suggestion or that he would refer it to his ministers, his only answer in the house was a loud and hostile "no", as if he had been deeply insulted by that question.

Mr. Dorion: Would the hon. member allow me a question on that matter?

Mr. Cardin: I shall answer the question of the Secretary of State after my speech.

Mr. Pigeon: He cannot answer.

Mr. Cardin: And yet bilingualism is not a dirty word which we should be ashamed of. For those who speak both languages, whether they are of English or French descent, bilingualism presents unquestionable cultural and practical advantages which are increasingly appreciated throughout the country.

Mr. Pigeon: You have refused simultaneous interpretation.

Mr. Cardin: The fact of knowing two languages is not a denial or a betrayal of one's racial origin. Why then is the Prime Minister scandalized at the mere suggestion of a proposed study on a matter of present day interest? Why not ascertain whether bilingualism could not become a distinctive cultural character of all Canadians?

Mr. Tremblay: What have you done with bilingualism while you were in power?

Mr. Cardin: That narrow and hostile attitude on the part of the Prime Minister, which caused all well-thinking Canadians to shudder, renders even more odious the visit which the Prime Minister paid to Quebec city last December and makes of bilingual cheques a valueless gesture full of electoral hypocrisy.

It seems to me that the unceasing efforts made in the past to have the voice of Quebec heard in the federal parliament, and those made to reach a very encouraging degree of understanding, co-operation and unity, among all representatives of the Canadian people, are too serious and necessary to national unity for us to let the progress made today in that direction be jeopardized by the demagogic and old-fashioned tactics of a Prime Minister who does not understand and who does not seem to want to understand that we, from Quebec, are merely asking to play within the federal parliament the role which is ours, to assume the responsibilities which are ours, and to contribute to the building of a united and strong Canada, which all Canadians, in the full exercise of their respective rights and freedoms, want to consider proudly as their country.

Mr. Pigeon. Twenty two years of division.

Mr. Tremblay: Very good.

Now that Mr. Lamontagne has been heard from, it is Mr. Cardin's turn.

(Text):

Mr. Cardin: I watched with a great deal of interest, Mr. Speaker, the remarkable performance of the Prime Minister in the throne speech debate a few weeks ago. His usual enviable vocabulary was there, his sense of timing and publicity was there, his questionable debating tactics were there, and he was certainly not lacking in arrogance. But the 1957 and 1958 vision was not there, and the fire that went along with it has apparently been doused; because the Prime Minister was groping to find a road, any road, that might lead him in the general direction of a new frontier. The confidence and, indeed, the cockiness displayed by the Prime Minister in previous throne speech debates were replaced by uncertainty and panic.

The uncertainty was more particularly spelled out by his refusal to answer questions of the Leader of the Opposition, who had extended that courtesy to the Prime Minister on several occasions on that very same day. The panic was evidenced by the increased pitch of the well known head and nasal noises used by the Prime Minister to denote a simulated sense of surprised shock, and which apparently is a sign for his acolytes to applaud.

Mr. Pallett: The usual type of personal Liberal attack.

Mr. Cardin: I will come to personal attacks in a moment. In case some should be scandalized and ask how a backbencher can dare to address the Prime Minister in somewhat less than flattering tones, may I say, using the Prime Minister's own words, "The Liberals have the answer to that too", and it is that the Prime Minister has been asking for it for a very long time. This is simply because he does not act like a real prime minister. He acts more like a silent movie hero who overacts his performance. The Prime Minister's attitude in this house lacks the dignity and the decorum so severely

guarded by all previous incumbents of that high office, including all the Conservative prime ministers. I feel the time has come when the Prime Minister must be reminded that in our democratic form of government the Prime Minister is not above the truth. The office of prime minister is not above the law, nor is it above the rules of this house or above the standards of political decency, and it certainly is not above criticism.

Mr. Pallett: On a point of order, the hon. member is reading from a speech prepared by someone, although I presume he accepts responsibility for it. He has used an expression which implies that the Prime Minister, in speaking to this house, does not speak the truth. Now, by implication it is a very cleverly worded expression, but I think the hon. member should make some explanation; and if the explanation is that the implication of the words is as he intended to give, then he should withdraw them.

Mr. Pickersgill: Speaking to the point of order—

Mr. Henderson: What have you got to do with it? Sit down.

The Acting Speaker (Mr. Chown): Order. The hon. member for Bonavista-Twillingate is speaking to the point of order.

Mr. Pickersgill: I am speaking to what purports to be a point of order; what I submit to Your Honour is not a point of order at all, but an effort made by the parliamentary secretary to reply to an argument in the course of a debate when he had no right to the floor, just because he did not like the words that were used by the hon. member. It is true that if someone says something that raises a question of privilege the person affected, not someone acting on his behalf, has a right to take that point up at the first possible opportunity, but I listened most carefully to what my hon. friend said—

Mr. Pallett: I was listening, too.

Mr. Pickersgill: I listened also to the hon. gentleman opposite who does not do the courtesy of listening to me. I listened most carefully to what was said by the hon. member for Richelieu-Vercheres, and he made—

Mr. Henderson: Sit down.

Mr. Pickersgill: —and he made no reference whatsoever of a direct nature to the present Prime Minister. He did say that the office should be treated in a certain fashion. That was all he said, and it was an unexceptionable statement. I suggest that the only reason they are hurt was that hon. gentlemen opposite applied to it what was in their own minds.

Mr. Pallett: The hon. member for Bonavista-Twillingate has taken time to speak on a point of order which he said was not a point of order. I suggest that by his very words he has admitted it is a proper point of order, and I ask Your Honour to deal with it.

The Acting Speaker (Mr. Chown): I felt that the implication "above the truth" was not in good tone or taste on the part of the hon. member who has the floor, as I know him, and to that extent he would deem it worthy of consideration to soften the expression for the record.

Mr. Cardin: I shall comply with your ruling, Mr. Speaker. I stated that no former prime minister acted in this way, and I said that the Prime Minister is not above certain things. I have full reason to say that, and I take full responsibility for the words I myself have written. It is because we had come dangerously close to a form of complete dictatorship in the province of Quebec under the late Premier Duplessis that I could not allow the Prime Minister to forget and ignore these fundamental principles.

Mr. Pallett: Is the hon. member choosing to ignore the request of the Chair?

Mr. Cardin: No. In deference to the Chair I will drop the phrase "above the truth". The Prime Minister's speeches in the house, which should set the note for useful and constructive debates, degenerate into criminal court debating tactics filled with personal insinuations, half truths and sophistry such as will not be found in the records of *Hansard* of any former prime minister of Canada, and are more in line with those we heard in the Quebec legislature under Mr. Duplessis. While the Prime Minister is himself the greatest offender in the House of Commons in this respect, he accuses the opposition of lacking in political chivalry and of adopting smearing tactics, considering himself like Caesar's wife to be above reproach. The Prime Minister is not above reproach and when he decides, in the short time left to him, to act as a prime minister we in the opposition will be happy to treat him as such.

Mr. Grafftey: Why did you betray him? You turned your back on your own prime minister.

(Translation):

Mr. Pigeon: He is not worthy of his uncle's name, the late Hon. Cardin.

(Text):

Mr. Cardin: Although the Prime Minister smears our party and some of our friends who cannot defend themselves in this house, as he has done on several occasions, and

although this is understandably annoying to our party, it is not considered by us so fundamentally important as the Prime Minister's habit of toying with the truth, and this is particularly noticeable when the Leader of the Opposition is personally involved.

Mr. Churchill: This is a disgraceful attack on the Prime Minister in his absence.

Mr. Grafftey: He is reading his speech. He is not worthy of his family name.

Mr. Cardin: From the first day the Leader of the Opposition was chosen head of the Liberal party the Prime Minister, by his cynical attitude, words and disparaging remarks about the Leader of the Opposition, has revealed that in the deep recesses of his soul there burn the envious fires of the little green-eyed monster. This the Prime Minister would not have indicated toward any other leader of the opposition. This fact, and the Prime Minister's apparent reluctance to let go of the external affairs portfolio, lead one to believe that the Prime Minister, along with his other ambitions, cherishes a secret dream of becoming a great international figure—

(Translation):

Mr. Tremblay: If he had written his speech himself, he would know what he is talking about.

(Text):

Mr. Cardin: This has apparently become an obsession, because it is the only reasonable explanation—

Mr. McCleave: I rise on a point of order. The hon. member who is speaking has confessed to the house that he is reading from a prepared text, and I think that offends against the rules of the house. It is obviously not the type of speech which contains various statistics or carefully reasoned argument such as one wishes to set down precisely beforehand.

An hon. Member: Everybody on your side does that.

Mr. Cardin: I am referring to my notes, just as every other hon. member has done throughout this debate. This dream of the Prime Minister has apparently become an obsession, because it is the only reasonable explanation of the fact that the Conservatives want word to get around that Canada's greatest contribution in the field of international affairs, under Conservative administration, was the Prime Minister's speech which he made to the United Nations in September, 1960, when he spoke against Russia.

Mr. Tremblay: Shame.

[Mr. Cardin.]

Mr. Cardin: To hon. members opposite I shall quote from *Le Nouveau Journal,* and this is what I read:

(Translation):

We then ask Mr. Green to give us, in order of importance, what he considers to be the greatest achievements of the Diefenbaker administration in the international field.

Guess what.

First Mr. Diefenbaker's speech at the United Nations, in 1960, against Russian colonialism.

Well.

(Text):

It is most unfortunate, Mr. Speaker, that the New York *Times* and the other responsible newspapers did not appreciate the full significance and impact of the Prime Minister's speech, because if they had known that it was considered by the government as Canada's greatest international contribution since 1957, I feel sure the New York *Times* would have reported that in its columns. But surely the Prime Minister betrays his greatest weakness by his continued disparaging, insulting and indeed inaccurate statements on the career, and indeed the reputation, of a great Canadian diplomat, who, by the way, has also become a great leader of the Liberal party.

Some hon. Members: Oh, oh.

Mr. Cardin: I should like to quote from an article written by Arthur Blakely in the Montreal *Gazette* of September 21, 1961:

Pearson is the author of post-war Canadian foreign policy which, in broad general outline, has remained operative under three prime ministers and one complete change of government. In his service at home and abroad as Canadian secretary of state for external affairs, and foreign policy specialist, he won an international reputation such as no Canadian has received before or since.

Mr. Grafftey: And we supported him in a bipartisan fashion.

Mr. Cardin: The article continues:

He was the chairman of the NATO council back in 1951-52 and president of the UN general assembly in 1952. His statesmanship won for him the Nobel peace prize in 1957.

Perhaps the Prime Minister's otherwise inexplicable attitude toward the Leader of the Opposition stems from the fact that the Prime Minister has never quite forgiven the Leader of the Opposition for being awarded the Nobel peace prize in 1957. But be that as it may, and regardless of the Prime Minister's personal dreams and ambitions, it is still no justification for the Prime Minister toying with the truth as he did in this debate some weeks ago.

Mr. Churchill: Mr. Speaker, I rise on a question of privilege. We have another instance of insinuation that the Prime Minister is not telling the truth. This expression

"toying with the truth" is surely an implication that the Prime Minister was speaking falsehoods, and it should be withdrawn.

Some hon. Members: Withdraw.

Mr. Pickersgill: Mr. Speaker, on the point of order which has been raised by the house leader, I most respectfully suggest to Your Honour that the rule book be consulted. There was in no way whatsoever a suggestion that the Prime Minister had said anything which was false or anything that was untrue.

Some hon. Members: Oh, oh.

Mr. Henderson: Sit down.

Mr. Pickersgill: The hon. member for Cariboo—

The Acting Speaker (Mr. Chown): Order.

Mr. Pallett: Did the hon. member write the speech?

The Acting Speaker (Mr. Chown): Order. The hon. member for Bonavista-Twillingate has the floor and I can say now, without further delaying the hon. member for Richelieu-Vercheres, that I was not incensed by the words he used and I would ask him to continue his speech.

Mr. Pickersgill: I realize that that point of order has been dealt with, Mr. Speaker, but I wish to raise at this stage another point of order having to do with the decorum in this chamber. Ever since I entered the chamber today, including this present moment, whenever any hon. member on this side of the house attempts to speak not just one, but in many cases two or three hon. members on the other side of the house interfere, make interjections and try to prevent the hon. member being heard.

No one over here is so sensitive as to object to single interjections which have something to do with the speech, because that is a normal part of debating procedure; but this constant, deliberate barracking by half a dozen hon. members, mostly connected with the Union Nationale, is destroying any kind of discipline, any kind of fair play or any kind of rights for the opposition in this house, and it should not be tolerated.

Mr. Churchill: Mr. Speaker, on this so-called point of order raised by the hon. member for Bonavista-Twillingate may I say this. First, it was not a point of order; second, it was used just as a device to make an attack on the government side of the house. A point of order should be raised at the instant something occurs, and Your Honour's attention should immediately be drawn to it. The hon. member has been permitted to make an attack on hon. members of this house, an attack which should be withdrawn. He has accused hon. members of this house of interfering with debates in this chamber—

Some hon. Members: Hear, hear.

Mr. Churchill: —and he is infringing the privileges of the House of Commons by so doing.

An hon. Member: It is the truth.

Mr. Churchill: The hon. member should be requested to withdraw his remarks, which reflect upon every hon. member in this chamber.

Mr. Pickersgill: Mr. Speaker, the house leader has of course created for me a question of personal privilege, which I shall deal with now, and I hope I will be permitted to deal with it without what happened when I rose to speak on the point of order. The hon. gentleman said I should have dealt with the point of order immediately. I am dealing with it immediately. I was interrupted by the hon. member for Cariboo while I was attempting to speak; I was interrupted by an hon. member over here to my left who, because he was behind me, I cannot identify.

Mr. Tremblay: It was I.

Mr. Pickersgill: The hon. member for Roberval admits it was he.

(Translation):

Mr. Tremblay: Yes, it was I.

(Text):

Mr. Pickersgill: It is happening again. When the house leader rose to raise a point of order, which Your Honour has already ruled was not a point of order, he was listened to respectfully by this side without interruption. However, when I rose as a member of the minority to reply to that point of order, I was interrupted. Almost every word was interrupted by catcalls and ejaculations of one kind and another from hon. gentlemen opposite.

That is what happened throughout the remarks of my hon. friend from Richelieu-Vercheres, and this conduct is becoming intolerable. If certain hon. gentlemen want to have a one party state, let them say so; but if that great leader of theirs, who went around saying he was going to restore the rights of parliament—

The Acting Speaker (Mr. Chown): Order.

Some hon. Members: Order.

Some hon. Members: Sit down.

The Acting Speaker (Mr. Chown): Order. To some extent the Chair is involved in the comments that have been made by the hon. member for Bonavista-Twillingate by way of a question of privilege, in the sense of keeping order in the house. I felt that in the

course of delivering his remarks to the house the hon. member for Richelieu-Vercheres was carrying himself quite well, and as an experienced member of the house has grown accustomed to normal interjections, which I did not feel were of any greater multiplicity than they have been when other experienced members of the house have been on their feet. Perhaps the hon. member for Bonavista-Twillingate is more incensed by the interjections with respect to his colleague's address than his colleague is himself. I would ask hon. members to co-operate, and if the hon. member for Richelieu-Vercheres feels that his remarks are being overburdened by interjections, I am sure he will raise a point of personal privilege in that respect.

Mr. Cardin: Mr. Speaker, I am not going to deal with all the interjections that have been made, knowing the source from which they come. I do not wish to object, I just want to get on with my speech, which has been interrupted many times already.

Mr. Pallett: Mr. Speaker, I rise on the point of order raised by the hon. member for Bonavista-Twillingate with reference to the speech the hon. member for Richelieu-Vercheres is making. I would draw Your Honour's attention to Beauchesne's fourth edition, page 115, paragraph 128 (1), which reads as follows:

> A personal attack, by one member upon another, is an offence against the house, in the person of one of its members, which, on account of the respect due from every member to the character and dignity of the house, as well as the importance of preserving regularity in the debates, calls for the prompt interference of the Speaker, in order that any irregularity, into which a member may have been betrayed in the warmth of debate, may be rectified, and that any expressions, which may be disrespectful to the house, or painful to the feelings of individual members, may be explained, apologized for, or retracted.

The hon. member's speech to this point has consisted of a planned, deliberate personal attack on a member of this house who happens to enjoy the highest elective office of the country as Prime Minister. Notwithstanding the fact that he is Prime Minister he is a member of this house, and the rules apply to him and in relation to him as well as to any other hon. member. The hon. member who is now speaking should observe the rules.

Mr. Cardin: I do not know why supporters of the government should be so highly sensitive today. It may be that the Prime Minister does hold the highest office in the land, but that is no reason why we cannot criticize him or find fault with him. This is not a personal attack—

Some hon. Members: Oh, oh.

[The Acting Speaker (Mr. Chown).]

Mr. Cardin: I am arguing that as Prime Minister he has done certain things and adopted certain attitudes in this house which I do not think are becoming to a prime minister. But it was not a personal attack; it concerned the public conduct of a public person. Now perhaps I may be allowed to continue.

An hon. Member: Read on.

Some hon. Members: Order.

The Acting Speaker (Mr. Chown): Order. I feel I should rise at this point to caution hon. members with regard to these continuous interruptions. As I judge it, 15 minutes of the hon. gentleman's time have been consumed in this way. As and when points of order or privilege have arisen I have endeavoured to rule on them to the best of my ability and I will continue to do so, but in the meantime I think the hon. member who has the floor should be given a fair hearing.

Mr. Cardin: I should like to recall the profound thought that the Prime Minister expressed in the debate on the speech from the throne when he said, in his most pompous voice—

Mr. Pallett: Mr. Speaker, this is another instance—

An hon. Member: Oh, no.

Mr. Pallett: Does the hon. member intend to observe the rules or not? "In his most pompous voice", he says.

Mr. Pickersgill: What is wrong with that?

Mr. Pallett: I do not know whether you heard that, Mr. Speaker. It is all part of the pattern.

Mr. Pickersgill: You should have been here during the pipe line debate.

Mr. Cardin: This is what the Prime Minister had to say, as reported on page 63 of *Hansard* on January 22:

> In order to build yourself up in your own image you do not have to disparage others—

I should like the house to remember those particular words. Then the Prime Minister went on to mention what he considers to be the greatest contribution of this government to international affairs, namely his speech, and on page 64 he is reported as saying this:

> We took our stand—and it was not a popular one at the time—in September, 1960, when I had the privilege of speaking at the United Nations. After Khrushchev had come out in favour of self-determination for all the peoples of mankind, I called upon him in the name of fairness, justice and equity and in pursuance of the principles of the United Nations to make it possible for those captive peoples under his control to be given the right to self-determination.

Nobody disagrees with that. A responsible prime minister would have stopped there, but not our Prime Minister. He had more to say. He went on:

> That is the attitude which this party has taken throughout the years. We are glad the need for action in this regard has suddenly been recognized in these last few months by those who for many years in the United Nations, knowing of the situation and having heard the calls of these people, never at any time raised a voice on their behalf.

Earlier, as reported on page 64 of *Hansard* the right hon. gentleman said:

> There was also a reference to the effect that this was the 44th anniversary of the independence of the Ukraine. We did not have to be told that. We brought that before the United Nations. All through the years the hon. gentleman did not deal with that question there.

To use the vocabulary of the Minister of Finance, that is a blatant lie; it is a nazi-like lie; it is a fascist lie with strong overtones of McCarthyism.

Mr. Campbell (Stormont): On a point of order, may I direct your attention, Mr. Speaker, to the fourth edition of Beauchesne, page 122, citation 140, which states as follows:

> The rule relating to personal reflections occurring in debate, may be stated thus, namely: that it is doubly disorderly for any member, in speaking, to digress from the question before the house, and to attack any other member by means of opprobrious language applied to his person and character, or to his conduct, either in general, or on some particular occasion, and tending to bring him into ridicule, contempt, or hatred, with his fellow members, or to create ill blood in the house.

I direct your attention further to citation 141, the second paragraph, which reads as follows:

> When the Speaker observes upon any expression as personal and disorderly, and tending to introduce heat and confusion, and this appears to be the general sense of the house, the member offending ought immediately to make an apology, and to ask pardon of the house for this breach of their order, in as large and liberal expressions as possible, so as in such apology to comprehend the person of whom the words were used.

Surely to refer to any member of this house as acting in a nazi-like way is a clear breach of this order, inasmuch as it tends to bring the hon. member referred to into disrespect, ridicule and contempt, especially if he is a member who holds a distinguished and exceptional position. Surely the hon. member who uttered those words is guilty of a clear breach of the ruling I have quoted.

The Acting Speaker (Mr. Chown): I thank the hon. member for Stormont for his contribution and assistance. Noting that it is near one o'clock, perhaps the hon. member for Richelieu-Vercheres would withdraw the word "nazi", which I think was used, and the expression "McCarthy-like". There was some analogy to McCarthyism, and the word "lie" was used. I think all are distasteful to the ear and for the record.

Mr. Cardin: I will withdraw the reference to "nazi" and "lie". That was a reference to a quotation from language used by the Minister of Finance. I was quoting the minister.

Mr. Campbell (Stormont): Is this the withdrawal which you have requested, Mr. Speaker? There were two other offensive words used.

The Acting Speaker (Mr. Chown): Perhaps I could consult with the hon. member during the lunch hour as to precisely what he said and we could resume at 2.30 p.m. to consider the point of order raised by the hon. member for Stormont.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Cardin: Mr. Speaker, before lunch the point I was attempting to make was that the Prime Minister in this debate referred to his United Nations speech of September, 1960, which is considered by the government as Canada's greatest international contribution since 1957 and which dealt in part with communist imperialism. We have no quarrel with that statement. However, the Prime Minister went on to claim—and I placed this on record before lunch—that the Leader of the Opposition in all the time he served as secretary of state for external affairs had never at any time spoken out against communist imperialism. With all due respect to the Prime Minister and the sensitivity of hon. members of the house, may I say that is not true. It is a blatant prevarication with strong undertones of the vilest form of McCarthyism. Over the years—

The Acting Speaker (Mr. Chown): Order. When I left the house before lunch there were remarks made by the present speaker somewhat akin to those he has just made which remained on the record unwithdrawn. I did not take the opportunity at the outset of this afternoon's proceedings to ask the hon. member to withdraw those remarks and clear up the record. I think that should be done now both with respect to the remarks that preceded the noon recess and those that have just been made.

Mr. Cardin: Mr. Speaker, I will withdraw the remarks the Chair finds objectionable and

which I borrowed from the Minister of Finance. I refer to the remarks I made before lunch. As to the comments I have just made, I cannot see that McCarthyism is an objectionable and unparliamentary word.

The Acting Speaker (Mr. Chown): I am afraid the word blatant came to my ear. I did not hear the word which followed.

Mr. Cardin: Prevarication.

The Acting Speaker (Mr. Chown): I was probably more concerned with the correction of the situation which existed before lunch. I shall listen carefully to what the hon. gentleman has to say and interrupt him again if necessary.

Mr. Cardin: Over the years, Mr. Speaker, the Leader of the Opposition has spoken out against communist imperialism as strongly as and certainly more often than the Prime Minister. Even though he was not naive enough to consider any speech an effective weapon against communism or as Canada's greatest contribution to world peace, surely there is no question as to where the Leader of the Opposition stood and stands in that respect. I wish to place on record a portion of a speech made by the Leader of the Opposition before the United Nations general assembly on September 26, 1949:

> Imperialism of the old kind is a rapidly diminishing force—a dying doctrine. The real danger today lies in the new imperialism of the post-war period. During that period only one state in the world has extended its borders and the area of its domination. That state has annexed 179,000 square miles of territory and included within its borders in the last ten years more than 21 million people. Backed by its armies, it has imposed satellite regimes on neighbouring states. It has used its great material power and resources to rivet its economic control over the peoples under its influence. Its leaders have talked freely of "liberation" and of "national sovereignty", but its agents abroad have never hesitated to proclaim their obedience to its control and their determination to serve its interest above the interests of their own governments and their own peoples.
>
> How can there be a feeling of peace and security where an alien power insists on imposing its domination over other nations and peoples?

In another speech at the United Nations on December 1, 1949 the Leader of the Opposition had this to say:

> Mr. Vyshinsky asks us to believe in the lamb-like qualities of Russian revolutionary communism. Naturally we do not believe this, and we are not deceived by it.
>
> If Mr. Vyshinsky really wishes to do something about the preservation of peace, he should try to persuade his government to pay some attention to the fear in the world of this new imperialism; to the concern which is deep and widespread about the methods which it adopts to spread its influence, and the threats to peace which are inherent in those methods.
>
> Within the U.S.S.R. sphere of influence—the new Soviet empire—have been included many peoples who previously had their own free governments: Finns, Estonians, Ukrainians, Latvians, Lithuanians, Poles, Rumanians.
>
> Not all the impassioned eloquence of Mr. Vyshinsky or Mr. Manuilsky can convince us that these peoples, of their own free will, happily and confidently have entrusted their destinies and their persons to the U.S.S.R. The fact that the Soviet union government finds it necessary to cut off the inhabitants of its territories from all normal contacts with other countries and to distort and manipulate information about other peoples in order to create misunderstanding and fear is, to us, convincing evidence to the contrary.

In an address to the House of Commons on August 31, 1950 the Leader of the Opposition said:

> Know your enemy is a principle taught to every soldier . . . the first characteristic of Soviet communist imperialism is that its operations are on a world wide scale. Believing, as they do, that their slave system is in inevitable opposition to the free systems of government of other people, the masters of the Kremlin survey in their calculations every part of the globe.
>
> The second aspect of Soviet power is that while it is prepared to impose its will on other peoples by military aggression, it can also act—and does act—in other ways and through other agencies. It has at its command the weapons of conspiracy, subversion and mass agitation.
>
> Third, we must be clear about the elements in a free society which Soviet communism uses and perverts for its own program of oppression, degradation and expansion. Our job is to play our part, a part determined by ourselves but worked out in consultation with our friends, in the collective effort of the free countries to prevent aggression, if possible by showing that it cannot succeed, or to defeat it if it occurs.

The Acting Speaker (Mr. Chown): Order. I regret to advise the hon. gentleman that, taking into consideration the time allowed for the interruptions, his time has now expired.

(Translation):

Mr. Robert Lafreniere (Quebec-Montmorency): Mr. Speaker, I realize that several hon. members intend to take part in this debate and I shall, therefore, try to be as brief as possible. However, I should like to congratulate most heartily the mover and seconder of the address in reply to the speech from the throne, the hon. members for Laval (Mr. Bourdages) and Vancouver-Kingsway (Mr. Browne) whose remarks were full of enthusiasm and sincerity.

I should also like to congratulate the hon. member for Quebec South (Mr. Flynn) on his recent appointment as Minister of Mines and Technical Surveys. His competence in both parliamentary and professional matters, his moderation and good judgment will be most useful to Canada.

I would be remiss if I did not mention the appointment of Hon. Paul Comtois to the position of lieutenant governor of the prov-

ince of Quebec. His Excellency is the very impersonation of dignity and possesses to a degree the most important qualification required to hold that high office: a genuine love for his province and his country.

Several matters for discussion are suggested to us in the speech from the throne. I intend to deal with a few of them in the course of my remarks, but I should like first of all to discuss a question of great present interest which has not been overlooked in the speech from the throne, considering that the latter does refer to measures relating to the confederative pact.

It is common knowledge that at present serious difficulties lead to misunderstanding between the two main racial groups of Canada, that is English-speaking and French-speaking Canadians.

The main topic of conversations and writings these last few months has been separatism. This serious problem should not be ignored by anyone, especially the elected representatives of the Canadian people, regardless of racial origin. It is impossible for me to assess at this time all the consequences which would result if Quebec should secede from the rest of the country, but I am afraid that the bad ones would be greater than the good ones. In any case, Mr. Speaker, the problem is definitely before the Canadian nation and it calls for a solution. The public authorities, politicians, citizens throughout the country, educators worthy of their calling cannot shy from it without failing in a serious moral and civil obligation.

Those who are in favour of separatism have many grievances. Some of these may seem exaggerated to the English-speaking population, but, bearing in mind the principle of justice, most of them are perfectly legitimate. I should like to have the time to analyse each and every one of the causes which have contributed to the misunderstanding between the two racial groups, but this is impossible at the moment. I shall therefore deal only with the main one, that is, bilingualism.

In this country, Mr. Speaker, bilingualism is a one-way street. It is compulsory only for French-speaking Canadians, and I must add that this situation is extremely painful and unfair.

Before going any further in my remarks, Mr. Speaker, I want to make something clear. When you hear the French-speaking members bring up matters concerning the rights of our minority group, do not believe that we wish to impose on the Anglo-Canadian majority our language, our culture and our religion. We want only that they should have their rightful place in the Canadian context.

We do not pretend that the French culture is the best in the world; we do not pretend that it is either superior or inferior to the Anglo-Saxon culture. In some matters, comparisons are undesirable. We do not have either, as some people say, a superiority complex, but we do have an equality complex.

Why should it be amazing for a nation to feel strongly about its language, its faith, its customs and its traditions? When we have children, because we see them through our love, we usually find them handsome and bright. From those points of view, they are probably not any better than the neighbour's children but we are attached to them because they are our own. The same thing goes for a people with regard to its heritage. One must understand that this can be a very deep feeling, although it does not preclude full appreciation of, and participation in the culture and institutions of another people.

This has always been our attitude regarding Anglo-Saxon culture.

I am sure, Mr. Speaker, that English-speaking Canadians will not blame us because we are defending our rights when our claims are justified.

We have known for a long time that "fair play" is an essential part of the intellectual and mental discipline of Anglo-Saxons. However, I suggest that they have so far omitted to put such fair play into practice, particularly in connection with bilingualism in this country. It must be realized that at least 6 million French-speaking Canadians living in this country feel compelled to learn a second language while English-speaking Canadians, up to now at least, have shown indifference toward a second language.

Now, a hundred years after confederation, a hundred years after the convention passed between the two ethnic groups of this country to the effect that French and English should both be the official languages of Canada, we bitterly notice that we, Canadians, have undoubtedly ignored one of the main clauses in our agreement.

I will not mention any other evidence than the words of the secretary to the Canadian conference on education, Dr. Seraphin Marion, following a study that the conference was able to conduct through a donation from the Ford Foundation.

This is a most interesting investigation carried out by the foundation on the teaching of the second language in Canada.

Dr. Marion writes:

> It would be foolhardy to live in an illusory world and to act like the ostrich in the Canada of 1962. A whole set of events took place in 1961 and they should open the eyes of the most optimistic and bring them back to hard realities. At the present time, all Canadians must admit the following: there are major obstacles in the way of national unity—or rather the union between the two nations co-existing in our country, the English speaking Canadian nation and the French speaking Canadian nation. And unless all those concerned make vigorous efforts, we shall probably see in a short time that a difficult, and even tragic, situation has developed.

Those views, Mr. Speaker, clearly show that some serious prejudice has been done, and that someone is certainly responsible for it. In my opinion, those responsible are the various administrations which have succeeded one another since confederation, until the coming into power, in 1957, of the Conservative government.

The Prime Minister of Canada said all over the country, during the 1957 election campaign and later, that it was his intention to respect the spirit of the confederative pact, and he has kept his word.

Besides, Mr. Speaker, it is a fact that in a country with a constitution like ours, the state, the central government, must take all the required but fair measures to promote the full development of the various racial groups forming the nation.

Failure to fulfil that duty has been the awful mistake of the previous Liberal administration, which has been in power for nearly a quarter of a century and which has always turned a deaf ear to the fair claims and rights of minorities in this country.

I believe, Mr. Speaker, that I would have become a separatist if the Conservative government had not given such excellent evidence of good will toward national unity, to which the Liberals so often refer but about which they have done absolutely nothing.

I am proud to be a member of the present government because it is, among other reasons, the only one that has taken concrete steps, that has achieved practical objectives in recognition of the rights of the minority I represent, in part, in this house.

The French racial group has obtained tangible results from the present government and those gains have caused no prejudice nor injustice to other Canadians.

Constructive criticism often becomes necessary, but there are times, however, when we are duty bound to express our gratitude.

[Mr. Lafreniere.]

I should mention at this point a particular event which took place these last few years in our national life. For the first time in history, the government has appointed as representative of the Queen a French-speaking person: His Excellency Governor General Georges Vanier.

It must be noted, as I have already pointed out, that there is in this country, out of every three Canadians, one French-speaking Canadian.

It is to the Prime Minister and to his government that we owe that great consideration. It is also to the Conservative government that we owe the installation of a simultaneous interpretation system in the House of Commons, which allows English-speaking Canadians and French-speaking Canadians to better understand each other.

As the representative of a constituency in which Laval University, is situated, I believe I should thank this Conservative government for having settled the problem of university grants to such great advantage. Such action is another step towards attainment of the true spirit of confederation. In this connection I should also mention that the Conservative government has increased provincial tax levies from 10 to 16 per cent, a percentage that will be raised to 20 per cent by annual increases of one per cent.

This means, Mr. Speaker, that during the few years it has been in power, this government has given the provinces twice as much as the Liberals gave them. So, in that field also, the Prime Minister kept his promise when he told us that he wished to make the spirit of the Canadian confederation a reality in this country.

Now, Mr. Speaker, I should like to move on to another subject along the same line. One of the main causes of the uneasiness which is felt throughout the country, and especially in the province of Quebec, with the rise of the separatist movement, results from the fact that the federal government has never tried before to respect actually the use of the two official languages in Canada. It is undeniable that in all federal departments English is the only "working language".

May I mention a fact of personal knowledge. When they write to the departmental administration in Ottawa, the civil servants of the province of Quebec feel morally obliged to submit all their reports in a language other than their mother tongue.

As I already stated, it is the responsibility of the state to see to it that one of the main clauses of the confederation pact is adhered to. The federal government shall therefore have to take the required steps so that the civil servants of this country can perform their duties in their mother tongue. This problem must be tackled without delay.

In that field, the Conservative government made a worthy gesture when it introduced the latest civil service act. I am referring to section 47 which makes it an obligation for the commission to choose, in all parts of Canada, a sufficient number of bilingual civil servants to serve both major language groups.

I submit, sir, that any Canadian who wishes to make a career for himself in the civil service should consider it a duty and a moral obligation to learn the two official languages of our country.

(Text):

I must say, Mr. Speaker, that I am proud to belong to a party the members of which really make a good effort to learn to speak both official languages of the country. I know personally that many hon. members of this house regularly take instruction to learn French and others to learn English. This means that the example in that connection comes from representatives of our nation, and this example has to be followed by all Canadians in whatever part of the country they live.

I should like to mention the excellent policy of the Prime Minister in that connection. When he comes to visit us in the province of Quebec he never misses an occasion to address the people in our mother language. Some of the prime ministers of former Liberal administrations did not even know the word "merci" to express their gratitude for the great support they were getting from the province of Quebec.

Mr. Pigeon: You are right.

Mr. Leduc: Name one.

Mr. Lafreniere: What I admire is the spirit of the Prime Minister when he addresses the people in both official languages, and this excellent practice is also followed by many other ministers of the crown. No previous government had so many bilingual members in its cabinet as has the present administration, and I believe this is important enough to be underlined in the House of Commons. To my personal knowledge that is the case with the Minister of Finance, the Minister of Justice, the Minister of Trade and Commerce, the Minister of National Defence, the Minister of Agriculture, the Minister of Northern Affairs and National Resources, and many others.

There is a strong desire in both ethnic groups to understand each other, and we should do everything we can to take advantage of such a situation, a situation for which the government is mostly responsible. Every Canadian and in particular every member of the House of Commons and the civil service should be given the opportunity to use their mother tongue during the course of their work. It is a fact, Mr. Speaker, that when we express ourselves in our second language we certainly do not impart the full measure of our personalities.

(Translation):

I should like, Mr. Speaker, to sum up in a few words those three suggestions which in my opinion are bound to promote bilingualism in this country, and will eventually lead to good understanding and good co-operation between both ethnic groups, French and English, whose duty it is to work for the prosperity of the country.

First, the members of the House of Commons who are here the representatives of the people should consider it a moral obligation to learn both languages. Civil servants of a bilingual country ought to be bilingual.

Every province of this country should organize an educational curriculum enabling all Canadians attending school to learn in their early years their mother tongue as perfectly as possible, and the other official language correctly. With such a system, bilingualism will develop in this country within a few years.

To give only one example—and I regret I do not have here the figures concerning other provinces—I shall only say that in the province of Quebec the number of young persons at school total 1.3 million this year, which gives the impressive proportion of 25 to 26 per cent of the population of the province.

That is at least solid proof that the administrations of Quebec have been concerned about education for a number of years.

I should like to add that if the proportion of the student population was similar in other provinces, bilingualism would soon become a complete reality, provided that school boards throughout the country would set up a truly effective program for the teaching of both languages.

Before I bring my remarks to a close, Mr. Speaker, I wish to say that I find the attitude of some members of the opposition somewhat strange. I am also glad I have in front of me the hon. member for Bonavista-Twillingate (Mr. Pickersgill), who, for some time, seems to have been the advocate of bilingualism in this

country. It was the first time that I and many others had heard the hon. member speak about this matter. I think he could have done so a long time ago. I realize that—

An hon. Member: He practises it.

Mr. Lafreniere: —on his part, this would seem to be a question of political expediency.

An hon. Member: That's it.

Mr. Lafreniere: I also said—

Mr. Grafftey: May I ask the hon. member a question?

Mr. Lafreniere: Certainly.

Mr. Grafftey: Is it not true that the separatist movement, in the province of Quebec, came to life after the Lesage government had been brought to power?

An hon. Member: No, when the Conservatives came to power.

Mr. Lafreniere: Mr. Speaker, I would be unable to say otherwise.

Mr. Brassard (Lapointe): Surely such an answer could be expected.

Mr. Tremblay: We are anxious to hear Mr. Brassard, who has been away for a few months.

Mr. Lafreniere: Mr. Speaker, the hon. member for Richelieu-Vercheres (Mr. Cardin)—

Mr. Brassard (Lapointe): And you, for a year.

Mr. Lafreniere: —has criticized—

Mr. Tremblay: Away for the past four years.

Mr. Lafreniere: —the Prime Minister's attitude with regard to external affairs. In this connection, I should like to add that no other country could rightly be as proud of its Prime Minister as we were when ours made a speech at the United Nations in September, 1960.

Mr. Speaker, the standing orders of the house contain a serious order that most members respect, that is to take a member's word when he speaks to the house. I must say that all Canadians were proud of the attitude of the Right Hon. Prime Minister at the United Nations, in September 1960, and as far as I know, the Liberals themselves congratulated him warmly on the speech he made on that occasion.

Mr. Meunier: That is all he can do, make speeches.

Mr. Lafreniere: Mr. Speaker, I should like to analyse the economic situation over the last few years, but I shall not have enough time to explain all the measures taken by government.

Before ending my remarks, I only wish to point out that the Conservative government, in power for a few years only, has increased old age pensions by approximately $19. Prior to the 1957 elections, the Liberal government gave our senior citizens what we call in our language a little slice of bread—

Mr. Bourget: $46.

Mr. Lafreniere: —that is, an increase of $6.

Mr. Brassard (Lapointe): $46.

Mr. Lafreniere: Well, the Conservative government found a way to increase these pensions substantially and, these last few years, it has given our senior citizens an increase of about $19.

I also wish to mention another beneficial measure passed by the Conservative government and which, I know personally, has largely benefited the people of Canada, that is the small business loans act. In the province of Quebec, an amount of $23,160,000 was loaned to the owners of 625 enterprises. I do not have the figures for the other provinces, but I am satisfied that this move on the part of the Conservative government has made it possible to cut down unemployment.

Another initiative of the Conservative government, which I should like to draw to the house's attention, is the winter works program. In fact, the federal contribution for works carried out in Quebec totalled $1,426,000 in 1958-59, $1,685,000 in 1960 and $15 million in 1960-61.

(Text):

The Acting Speaker (Mr. Chown): Order.

(Translation):

Mr. Lafreniere: That initiative—

(Text):

The Acting Speaker (Mr. Chown): Order. I am sorry to interrupt the hon. gentleman, but his time has expired.

(Translation):

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to associate myself with the usual congratulations which the leader of the opposition (Mr. Pearson) has offered to the mover and the seconder of the address in reply to the speech from the throne (Messrs. Bourdages and Browne, Vancouver-Kingsway), to the new Minister of Mines and Technical Surveys (Mr. Flynn) and to the hon. member for Pontiac-Temiscamingue (Mr. Martineau) who has been appointed chairman of the committees of the whole.

(Text):

Mr. Speaker, I do not intend to detain the house longer in a language which I do not speak, in my own opinion, as well as the one I first learned to speak, but I cannot allow to pass without some comment the observations made by the hon. member for Quebec-Montmorency about my views on bilingualism. There are some people, such as my hon. friend from Laurier and my hon. friend from St. Denis who have been here longer than the hon. gentleman, who have been in Ottawa longer than I have, and who know that from the day I came to Ottawa I did not go around boasting about bilingualism, but I have never at any time asked anyone to translate any document out of one of the official languages into the other for my benefit.

I have always taken the view that if we are to make confederation work properly we must seek in every possible and practical way to make it equally easy for all Canadians to use either of the official languages in every part of this country, and I am no new convert to these views. It was not too easy for me to learn French in the bush in northern Manitoba, and if the hon. gentleman would like me to explain privately how I managed to get my foundation in it I would be glad to do so, but I will not waste the time of the house in that way.

It is quite true that there have been a few things done by this present government—and I have always given this government credit for everything it has done in this, as in any other field—to advance this cause. I think it would be strange if we had any government that did not do that. However, I should like to point out to the hon. gentleman that before he talks too much about the great efforts of his great party he should reflect on the fact that there is only one political party in this country that has chosen its leaders from both races, and that is the Liberal party.

In 1962 it is 75 years since Sir Wilfrid Laurier was chosen by the Liberal caucus in the year 1887 to lead the Liberal party of Canada. In those 75 years the Tory party has never even had an acting leader who was a French speaking Canadian, and for 40 of those 75 years the leader of the Liberal party was a French speaking Canadian.

The hon. gentleman talks about Liberal prime ministers who could not say "merci" in the French language. Perhaps Alexander Mackenzie knew no French—he was an immigrant from Scotland—but I would be very surprised if Sir John A. Macdonald was very conversant with the French language either. He was also an immigrant from Scotland. Other than Mr. Mackenzie there has been no leader of the Liberal party—Mr. Blake, Sir Wilfrid Laurier, Mr. Mackenzie King, Mr. St. Laurent or our present leader—who was not completely conversant with both official languages.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I know this perfectly well. That does not mean that Mr. Mackenzie King was very good at speaking French—

Mr. Pigeon: He never spoke in French.

Mr. Pickersgill: —any more than the hon. member for Roberval is exceptionally good at speaking English.

Mr. Tremblay: Still under three flags.

Mr. Pickersgill: Mr. Speaker, I hope I may be permitted to continue my speech for 30 minutes without interruptions. As I was saying, we on this side of the house do not cast any reflections upon what I regard as the laudable efforts of the present Prime Minister to express himself in the French language; we applaud those efforts. But that is no excuse for hon. gentlemen on the other side of the chamber trying to defame Mr. Mackenzie King because he was rather bashful about his accent. If they think this is a way in which to get votes I think the Tory party is going to find what it has generally found when it has employed that kind of tactics; that it will not get any support. That is all I have to say on this subject.

Mr. Pigeon: Will the hon. member permit a question—

Mr. Pickersgill: No.

Mr. Pigeon: —about three flags?

Mr. Pickersgill: I had not intended to say anything about it at all, because there are some things that I think we would be far better off to take for granted in this country rather than constantly talking about them. There are a great many problems that we have in common and which it is the business of this parliament to solve, and remarks such as we have just heard are not related to them.

I think it is no secret that we are within 16 months of a general election, and perhaps closer, although the capacity of hon. gentlemen opposite to make up their minds about anything is such that one wonders. However, we are at a time when the temper of the house suggests that an election is on the minds of some hon. members, at any rate, most of the time and perhaps on the minds of all of us some of the time.

This is going to be a time of testing. It seems to me there are two tests that every government has a right to expect to be applied to it and that the people normally will

apply to a government. They do not always do that. There are circumstances when some great issue arises which puts considerations like those in the background, but I am not sure that any such great issue has arisen at the moment. I think there are two tests that the present administration is going to have to face before the electors, who are the masters of all of us in this house, although some hon. gentlemen seem to be forgetting that. One of these is the test of good management, the question as to whether or not the affairs of this country are being well managed. I am very tempted to use the rest of my 30 minutes to talk about that subject, because my views upon it are very strong and they correspond very largely with the views that have been expressed by representative people in almost every occupation in this country today. However, what was said by the Leader of the Opposition on this subject was so well documented and so thorough that hon. gentlemen have been protesting about it ever since. Nothing has worried them more than that speech, and I do not think I shall attempt to gild that particular lily, if I might use such a bad figure of speech.

I want to speak about the other test which every government should have to face and which, I think, this government will have to face. My right hon. friend Mr. St. Laurent spoke about this when he sat here as leader of the opposition on October 16, 1957. I wish to repeat the words he used on that occasion because I think they deserve repetition. I think they deserve to be pondered by every member in the house, as well as by every Canadian. At page 43 of the unrevised *Hansard* of that day Mr. St. Laurent is reported as saying:

> I believe I have reached a point where I should indicate, as precisely as I can, what the attitude of the Liberal opposition will be to the new government during the present session when I expect to be responsible for leading the opposition. It is over 22 years since the Liberal party was last in opposition. In the 22 years Canada has enjoyed—I use a word that I believe will become more widely used in that connection as time passes—

And has it not been?

> I say in the 22 years that Canada has enjoyed a Liberal government, we as Liberals have prided ourselves on the fact that every item of the program placed before the public in each successive campaign has been implemented in full whenever it was possible for the government or for the parliament of Canada acting alone to implement it.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Then it goes on:

> The only items in our Liberal programs which have not been fully implemented are those which have required provincial co-operation, which was not always forthcoming, or the co-operation of the governments of other countries or of international bodies. Everything we have undertaken to do that could be done by a government here in Ottawa acting on its own has been accomplished.

These words were uttered nearly five years ago. I have repeated them over and over again all across this country, and no person in Canada has ever cited a single example to show that those words are not true.

An hon. Member: Hospital insurance.

Mr. Pickersgill: Everybody who was here in this house in Mr. St. Laurent's day will know that they would not have been uttered had they not been true. It is no secret that Mr. St. Laurent did on occasion discuss his speeches with me before they were made; and as a matter of fact, before that speech was delivered I know very well that he gave the greatest consideration to that statement. He went over the documents to make sure there was nothing that had been overlooked. The best evidence of the truth of that statement is that although we are consistently told by hon. members opposite "Remember the promises of the Liberals", to my knowledge in the past five years there have been only two instances ever cited as undertakings which were given by the Liberal party but not carried out. I intend to deal for a minute or so with those two cases.

The other day the Minister of Justice, I believe it was—though this has been said on many occasions in this house—stated that it had taken the Liberals 38 years to carry out their pledge concerning hospital insurance. I intend to read precisely what the Liberals did say with regard to hospital insurance back in 1919. The resolution adopted at the Liberal convention of that year said:

> That in so far as may be practicable, having regard for Canada's financial position—

Mr. Bell (Carleton): Oh, oh.

Mr. Pickersgill: Exactly. It is not a promise, as the hon. gentleman quickly perceives. But I will read on:

> —an adequate system of insurance against unemployment, sickness, dependence in old age, and other disability, which would include old age pensions, widows' pensions, and maternity benefits, should be instituted by the federal government in conjunction with the governments of the several provinces; and that on matters pertaining to industrial and social legislation an effort should be made to overcome any question of jurisdiction between the dominion and the provinces by effective co-operation between the several governments.

Mr. Mackenzie King, when he went to the country in 1921 as leader of the Liberal party, did not repeat that statement of policy at all.

Mr. Bell (Carleton): It was only a chart and a compass then.

Mr. Pickersgill: Yes, but it was a chart and a compass that was published, not like the program drawn up by the party of the present hon. member for Carleton and his friends in 1956. The hon. member for Carleton has spoken very correctly. That is just what Mr. King said it was; it was a chart and compass for a long term future, and over that long term future virtually all these objectives were achieved by Liberal governments despite the fact that they had to face the opposition of the Tories, both federal and provincial, in doing so. It should not be forgotten that the right hon. gentleman who is now Prime Minister of this country, and who raised the level of debate in this house the other day by talking about the Liberals starving the old age pensioners, is the same gentleman who was a candidate for Mr. Meighen in 1926 against Mr. Mackenzie King at a time when the Tories were fighting tooth and nail to prevent the old age pensioners from getting one red cent. That is the great latter day champion of social justice. He made his debut in politics by fighting old age pensions tooth and nail.

An hon. Member: Tell us about six buck Harris.

Mr. Pickersgill: I shall leave that to the hon. gentleman. I will tell you about no buck Diefenbaker. In 1945 Mr. Mackenzie King repeated his undertaking in more specific language.

Mr. Campbell (Stormont): May I ask the hon. member a question?

Mr. Pickersgill: No. I am reading from the speech made by Mackenzie King in London, Ontario, on May 30, 1945, when he was laying down the program which was being placed before the people of this country. He said:

> Th Liberal program looks beyond family allowances to the early establishment of other great social measures. The government is prepared to support a national scheme of contributory old age pensions on a basis more generous than that of the existing pensions. The government also believes that a substantial improvement in national health could be achieved through dominion-provincial co-operation. We have accordingly pledged ourselves to support a measure for federal assistance in a nation-wide system of health insurance, to include assistance to the provinces for preventive medicine. If the present government is returned to office, we shall proceed with these measures as soon as agreements with the provinces can be concluded.

And on August 6, 1945, at a dominion-provincial conference held in this building, Mr. Mackenzie King put forward this great post-war program, which was torpedoed by Mr. George Drew, the Tory premier of Ontario, and by Mr. Maurice Duplessis, the Tory premier of Quebec. Neither of those reforms could be achieved until both those gentlemen had departed from the political scene in this country. That is another evidence of the great historic contribution to social justice of the magnificent Tory party.

Mr. Ricard: What about Taschereau in the province of Quebec?

Mr. Pickersgill: There is one thing that always amuses me, Mr. Speaker. Every time these fellows are caught with their hands in someone else's pocket, they always say that someone else stole something too. They never try to defend their record. They just say, "We are no worse than the Liberals were". Well, they are a great deal worse than the Liberals were and that is a fact. It is no defence of them to say they are no worse. If they are no better than the Liberals, we would be better off if the Liberals were in office, if that is all they have to say for themselves.

Mr. Campbell (Stormont): Is the hon. member prepared to accept a question?

Mr. Pickersgill: No, I will not accept an interruption at this stage.

Mr. Pigeon: Speak about six bucks.

Mr. Pickersgill: The other question about which the Liberal party has been accused of making a promise that was not kept was, of course, long before the period to which Mr. St. Laurent was referring. It was in the year 1925 when the Liberal party went to the country on a program which included, among other things, the reform of the Senate.

I wish to read what was said about this in the Liberal handbook for 1925. I shall not read all of it because it would take too much of my time but I shall read the essential parts of it, if I may have the attention of hon. members. This is how it reads:

> The people believe that the Canadian House of Commons should have the same power as the British House of Commons to pass legislation and the Prime Minister has personally declared this to be his view. How he is going to bring this about was fully set forth in his keynote speech in North York.
>
> Liberal senators already in office, as well as those who are to be appointed, will be pledged to support the necessary constitutional amendment for the reform of the Senate. The government in this campaign is seeking a mandate from the people. If that be forthcoming, the will of the people will be translated into political action as soon as the supporters of the government constitute a substantial majority of the Senate.

The hon. member for Carleton (Mr. Bell) will recall the outcome of the 1925 elections. Mr. Mackenzie King would never admit himself that the Liberal party was defeated in that election but I do not think even he would have claimed that they got a clear mandate when the Liberals elected only 101 members and the Tories elected 116.

It is true that as far as I have been able to discover from my search of the records this pledge was never repeated in any subsequent election. I may be wrong. I have not made a careful study of it but my research does not reveal that the pledge was ever repeated. I looked through the index of 1930 and, of course, in 1926 the preoccupation was with things other than Senate reform.

Mr. Bell (Carleton): Does that constitute absolution?

Mr. Pickersgill: No, it does not constitute absolution. It is, however, a fact for whatever it is worth that there was not the mandate that was a condition of this policy. I wish the hon. gentleman who is the present Prime Minister were here because I would like to give him a little advice on the subject. I know he would not want any advice from me.

Mr. Churchill: Who does?

Mr. Pickersgill: However, I believe he respects Mackenzie King more than he does me. At least the newspapers are constantly telling us that Mackenzie King is his model. I must say there does not appear to me to be much resemblance between the Prime Minister and his model.

Mr. Churchill: Thank heaven for that.

Mr. Pickersgill: But if I might offer the Prime Minister one piece of advice it is this. On one occasion Mr. King said to me, "Pickersgill, the most foolish thing I did in all my public life was to advocate Senate reform". Now, that did not mean he thought the Senate should not be reformed. He meant it was a foolish thing to make it a party issue in an election. I just offer that opinion of Mr. King to the house and to the Prime Minister for what it may be worth.

An hon. Member: Has he changed his mind since?

Mr. Pickersgill: If, in the whole Liberal record from 1919 to the present time, the only thing it may be said the Liberals did not do which they undertook to do was to reform the Senate, I am not ashamed of that record nor of standing up for it anywhere.

Mr. Grafftey: What about the promise of no conscription?

Mr. Pickersgill: The hon. gentleman knows very well what happened in that respect. A plebiscite was held. The hon. gentleman knows the whole story.

Mr. Campbell (Stormont): What about restricted Chinese immigration?

Mr. Pickersgill: That has nothing to do with this—

Some hon. Members: Oh, oh.

[Mr. Pickersgill.]

Mr. Campbell (Stormont): That was in 1911 and in 1925.

Mr. Pickersgill: Since the hon. member has interrupted me I say that promise about restricting Chinese immigration unfortunately was kept, and I am sorry it was. Mr. King came into this house on May 1, 1947 and said he was sorry, too, and he made amends for it. It was not a Liberal policy. It was a Tory policy which the Liberals unfortunately adopted and which I am sorry they adopted.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I say that is the record of good faith of the Liberal party. Now, what is the record of the Tory party?

An hon. Member: Put another record on.

Mr. Campbell (Stormont): What about the flag?

An hon. Member: Yes, the three flags?

Mr. Pickersgill: Hon. gentlemen opposite certainly do not like to allow members of the opposition to speak. That is another promise made by the Prime Minister, to restore the rights of parliament, that is certainly being kept in a remarkable fashion.

What was the record in 1930? After the election of 1930 the man who became prime minister went across this country sowing promises like clover seed. And what a harvest he got. Mr. King put those promises on the record. They were there for people to look at five years later and the people looked at them.

Because hon. gentlemen opposite seem so ashamed of the past utterances of their leader we have made a collection of the promises and undertakings given by him to the Canadian people in the elections of 1957 and 1958. I have spent some of my time, rather profitably I think, sir, going over those promises quite carefully in the last few weeks in an attempt to determine how many have been kept. I have been afforded considerable assistance by friends and strangers who have written letters to me in response to my appeal. I appealed for assistance because I felt this job should be done thoroughly. I have a list of 81 promises that were made in those two elections that have not yet been kept.

At least half of those promises could not conceivably be kept because they were promises to take action immediately and the time has long since passed. Others could not be kept because they were going to be paid for out of Mr. Walter Harris' surpluses, and we all know where they went after six months of Tory management of our affairs. I could go on to cite many examples but I know perfectly well that even if I had time I would

never be permitted by hon. gentlemen opposite to cite them in this chamber without so much interruption that I could not place them on the record.

Mr. Churchill: The hon. member hesitates to cite them.

Mr. Pickersgill: Oh, do I? The minister says I hesitate to cite them. I only hope I will be allowed to do so without interruption. I shall not cite all of the 81 because there is not time. But I will cite a few. Simply because I happen to have it in my hand, I will cite the Prime Minister's promises relating to employment and unemployment. Employment was hardly mentioned by the Prime Minister during the 1957 election and unemployment was not mentioned at all anywhere that I could find because there was not any. That is the reason.

Some hon. Members: Oh, oh.

Mr. Pickersgill: The Prime Minister confined himself to promises to continue the full employment policy then existing in Canada under the Liberal government. In his Toronto speech on April 25, 1957, the Prime Minister promised that full employment with the highest possible standard of living would be one of the primary objectives of his government. That is certainly an unkept promise.

The Acting Speaker (Mr. Chown): With that promise I think I shall have to advise the hon. gentleman that his time has expired.

Mr. Pickersgill: I regret very much having to deprive hon. gentlemen opposite of the rest of this document but I will send it to them by post.

Mr. Winch: Mr. Speaker, before you recognize the next speaker, may I ask for the unanimous consent of the house to ask a question of the previous speaker.

The Acting Speaker (Mr. Chown): Will the house give unanimous consent to the asking of a question by the hon. member for Vancouver East?

Some hon. Members: No.

The Acting Speaker (Mr. Chown): There does not appear to be unanimous consent.

Hon. D. J. Walker (Minister of Public Works): It was a weird thing, Mr. Speaker, to listen to the hon. member for Bonavista-Twillingate (Mr. Pickersgill). We were informed in advance that we were going to hear a tirade about the unkept promises of the Diefenbaker government. We waited for five, ten, fifteen or twenty minutes while the hon. member for Bonavista-Twillingate outlined the history of the Liberal party, the historical background for our meeting today, the qualifications of Mackenzie King as a French scholar, and then after he carefully looked at the clock and saw that he had four minutes to go he started for the first time to mention 81 alleged unkept promises. So far as I can make out he has dealt with only one of them and that was the question of unemployment which we inherited from the last Liberal administration and did so much to correct. There is no question about this matter. The hon. member for Bonavista-Twillingate, who has done more harm to the cause of the Liberal party through his ridiculous statements all over the country in the last two weeks, has been told to pipe down and not to mention this matter because with all this powerful campaign he put on in the newspapers throughout the country, he failed to find any support for this allegation of 81 or any number of unkept promises.

Mr. Pickersgill: I have them all here.

Mr. Walker: That is ridiculous. The hon. member had half an hour in which to put them on the record and he sought not to do so purposely, because he did not have any that could stand up under scrutiny. Never in my short experience have I heard such vilification as we have heard today of the Prime Minister (Mr. Diefenbaker). The Liberal party had a program first of gloom and doom. Now that they find that the country is prospering, they have given up that attack. Then, led by my hon. friend, they tried to have a program attacking our program and our promises. Today they have given up that attack. Now all we have in the house is a constant effort, with a repetition of wicked words and phrases such as they are able to get together, at a campaign of vilification of the greatest parliamentarian that ever sat in this house, namely the Prime Minister. I know that my hon. friend was a clever boy. At kindergarten he was the brightest student there, but he never graduated. He specialized in the game of alphabet. He wanted to show his prowess up in Simcoe a week ago. I read from the *Globe and Mail*. This is what he said: "Remember, P stands for progress, peace, prosperity and you know who." He smiled and then he said "And I do not mean Pickersgill either."

Mr. Pickersgill: Read the previous sentence.

Mr. Walker: We members of the government have a one-syllable word starting with P which would adequately describe the hon. member for Bonavista-Twillingate. But we will not put it on the record today.

An hon. Member: This is cheap.

Mr. Walker: Then the hon. member went on to say something which is interesting. He said, "We are not going to win this next election"—I would ask whether you heard

that, Mr. Speaker—"unless we demonstrate to the people of Canada that we are a real alternative and a believable alternative." Did you ever hear such a thing, Mr. Speaker? Then he goes on to say this, poor fellow, "We have also got to convince the people that we have something worth their while." Then the poor benighted member who does not dare make these statements in the house went on to say in a great burst of candour, and this is a quotation, "I admit Mr. Pearson is not a perfect leader of the opposition".

Some hon. Members: Oh, oh.

Mr. Pickersgill: Read the rest of it.

Mr. Walker: Two flags in Canada, two leaders for the official opposition both starting with P.

All this nonsense about the history of the Liberal party and the promises that were and were not kept—if you go back over the 22 years of Liberal rule, you will find that the Liberals in all their 22 years in office did not fulfil one half the promises fulfilled by the Conservative government. There is no question about that matter. In those days there were few suggestions. One was Senate reform. I remember Mackenzie King speaking in Blyth in 1925 with regard to Senate reform. What did they do about it after all those years? They did nothing. What did they do about the campaign in 1919 for the acceptance of the principle of proportional representation? That is all they had to think about in those days. They did nothing except they proposed a more effective restriction of Chinese immigration.

Mr. Pickersgill: Mr. Speaker.

Mr. Walker: Just a minute.

Mr. Pickersgill: Will the hon. member permit a question?

Mr. Walker: No. I will treat you in the way in which you treated the hon. member for Stormont, but not with the same contempt.

Mr. Pickersgill: That is fine.

Mr. Walker: It is essential that these things should be put on the record. The hon. member for Bonavista-Twillingate has a phantom number of 81 promises. We have not yet heard even of one of them.

Mr. Pickersgill: Read that speech from Simcoe and you will have.

Mr. Walker: I would ask the hon. member to remain calm and peaceful for a little while, while I outline the situation—and this will not be pleasant for him—and the 60 promises that the Prime Minister made while leader of the opposition and later as Prime Minister and which he considered as promises in both elections, all of which have been fulfilled. In the first place with regard to northern development may I say this, and it will not take long.

Mr. Pickersgill: No, that will not take long.

Mr. Pallett: Who is interrupting now?

Mr. Walker: I am going to put this on the record and if my friend the hon. member for Bonavista-Twillingate can challenge any one of them at any later date, I will put them on in their numerical order.

1. Under northern development, the Prime Minister promised completion of confederation by developing the north, and how well he is doing this.

2. The Prime Minister promised Arctic research and exploration to develop resources. The Inuvik research centre is proof of this being done.

3. A road program in the north to allow exploration of new mineral areas. May I say that 2,500 miles of roads have been built.

4. On roads to resources, as distinct from the former, $75 million has been spent by the federal government as its contribution.

5. The Prime Minister promised federal aid to economically sound railway projects. The Whitecourt extension in Alberta and the Gaspe railway are indicative of such aid.

6. The development of the northern community of Frobisher Bay. At last this has been and is being done, and the eastern Arctic, which was so long neglected, has now come into its own.

7. The Prime Minister promised to improve transportation, communication and development of power in the north. This has been done. A microwave network has been opened. The C.B.C. covers all of the north and a national power grid is now under consideration.

8. He promised an inventory of hydroelectric potential in the north, and the Yukon, Mackenzie and Nelson rivers are all under investigation.

9. He promised a joint federal-provincial forest access road program, and this is now under way under the distinguished new minister.

10. He promised a railway from Edmonton to Great Slave lake and the Pine Point railway, 438 miles in length, is now under way.

11. He promised he would ensure that Canadians would have a proper opportunity to participate in Canada's development. How well this has been done under the gas and oil and mining regulations in order to protect and ensure participation of Canadians.

12. With respect to natural resources the Prime Minister promised the first tourist roads in the maritimes, and what a bountiful harvest this program has resulted in.

13. He promised federal aid to the upper Thames river project and the project has already been started. The metro Toronto conservation program has also been started.

14. He promised an Ottawa-Hull interprovincial bridge, and the Macdonald-Cartier bridge is now in the process of being started.

Mr. Pickersgill: Don't forget the Van Horne bridge.

Mr. Walker: Contrast this with the Liberal restrictions on Chinese immigration. These are the things that have been done.

15. The Prime Minister promised export of western natural gas if recommended by the national energy board. Just the other day, Mr. Speaker, a pipe line from British Columbia to the western states was opened.

16. Aid to the provinces for power development. Of course, the Atlantic provinces power development is the fruition of this promise.

17. A national conservation convention. The resources for tomorrow conference, one of the most important conferences since confederation, has taken place.

18. The Prime Minister promised action to bring about freight rate equalization. This has been carried out as evidenced by the MacPherson report and will be proceeded with in due course.

Mr. Pickersgill: In due course.

Mr. Walker: 19. He promised subventions for maritime coal used for power. This is already a reality.

Mr. Pickersgill: Especially in east Saint John.

Mr. Walker: Could the hon. member, who is so good at parlour tricks, restrain himself for a few minutes? We can get along without his interruptions. There are a lot of things I could have said to the hon. member today but I have a certain latent liking for him and I have desisted.

20. The Prime Minister promised assistance to control pollution of interprovincial streams. We know how magnificently this has been carried out in the sewage disposal program and in other ways.

21. He promised the South Saskatchewan dam, and this has been brought about.

22. He promised a national energy board, and this has been set up under a very distinguished chairman.

23. He promised agricultural rehabilitation and development and an act to accomplish this end has been brought about. Soil and water problems on a massive scale are now under study.

24. He promised to step up reforestation and conservation programs. This he has done through a new ministry under a former premier who is one of the most distinguished foresters in Canada.

25. He promised the Atlantic provinces adjustment grants. How magnificently this has been fulfilled.

Even in the realm of parliament I might state 20 improvements that the Prime Minister has made but I will just deal with three.

26. He promised to appoint an Indian to the Senate. People laughed about this but it was one of the first things he did.

27. He promised to restore parliamentary committees, and how magnificently has this been done. The power of parliament has been restored to the backbenchers, and what a great success the public accounts committee has been under the chairmanship of the hon. member for Mount Royal (Mr. Macnaughton), a member of the Liberal party.

28. He promised to place redistribution of constituencies in the hands of a non-partisan commission.

Mr. Pickersgill: Nothing done about that.

Mr. Walker: This is something we thought could never take place but it will form part of the legislation at this session. Then I come to the question of taxation. If one looks back in retrospect he is aware of all the talk of gloom and doom; but he just has to review what has happened and it amazes him to think that any single leader in any democracy could fulfil so many promises in so short a time.

29. The Prime Minister promised a meeting of federal and municipal representatives to hear municipal views on their financial problems. It is a matter of history how well that has worked out.

Mr. Pickersgill: Ask the mayors.

Mr. Walker: 30. He promised to end tight money and to expand economic growth. Hon. members will recall the tight money situation we had when we came into power. They will recall our adverse trade balance. Now we are riding on one of the most prosperous waves and the beginning of a very wonderful program in the 60's.

31. He promised tax cuts, and it cannot be denied that percentagewise 75 per cent of all income taxpayers in Canada are paying less income tax than they were under the former administration.

Mr. Pickersgill: And far more sales tax.

Mr. Walker: 32. He promised to eliminate the excise tax on automobiles and the whole 10 per cent has been eliminated.

33. He promised a Hoover-type commission to study government operations. We have the magnificent Glassco commission functioning so thoroughly and with such tremendous results in prospect.

34. In the field of trade the Prime Minister promised to call a commonwealth trade conference to recover lost markets. This took place in Montreal in 1958 under the distinguished chairmanship of the Minister of Finance (Mr. Fleming).

35. He promised to increase Canadian exports, and how magnificently that has been accomplished under the energetic Minister of Trade and Commerce (Mr. Hees).

36. He promised to cut the commodity trade deficit with the United States and it has been cut almost in half.

37. He promised a national oil policy. We know that in co-operation with industry such a policy has been established to provide for the orderly development of Canada's oil and gas and that it is a tremendous success.

38. The Prime Minister promised a great program of port and harbour development. Think of the $13 million harbour at St. John's, Newfoundland, the tremendous development at the head of the lakes, the developments at Nanaimo and Port Alberni, the great developments at Toronto and Hamilton for deep water ships.

39. He promised to set up a forestry department and he has done so with tremendous results.

40. He promised to reduce Canada's overall deficit in world trade. He did not promise to balance it. No one thought that was possible. The Liberals did not balance it since 1952. We came into power with a $713 million deficit and in the year 1961 this was not only balanced but for the first time since 1952 we have a favourable trade balance. We had this without having another Korean war.

Mr. Pickersgill: You just had Castro.

Mr. Walker: As a matter of fact I would just like to go on to say what a tremendous instrument the Prime Minister has been toward peace in the world. I shall now deal with social security.

41. He promised to increase the old age pensions and, as you know, the last increase of $10 a month means an increase in our senior citizens purchasing power of $10 million a month.

42. He promised to increase veterans' pensions. He did so, not once but twice, 20 per cent each time.

43. He promised to increase civil servants retirement allowances. This he has done.

44. He promised to increase blind pensions, and of course he did.

45. He promised to appoint a standing committee on veterans affairs and this has been done with great success.

46. He promised to increase unemployment insurance benefits and this has been done, with the vacation pay act; and he also has extended the benefits to 52 weeks.

47. He promised to appoint labour representatives to all government boards and commissions dealing with labour interests. This has been done.

48. He promised to revise pension regulations for retired railroad employees, remove inequalities, and provide fair and reasonable basic pensions. At the present time this is under very active study and will be implemented in due course.

49. In the realm of agriculture there are 50 achievements and I shall only mention the over-all one, No. 49, assistance to agriculture. Even as one who knows little about agriculture I could talk for three hours on that subject alone.

50. He promised to appoint a royal commission on price spreads, and this was done with wonderful success under Dr. Stewart.

51. He promised to work for a world food bank. This was his original idea and the United Nations are in process of adopting it.

52. He promised aid to the tobacco industry and this has been done in no uncertain way.

53. In the realm of business, he promised to provide a small business branch in the Department of Trade and Commerce. This has been done, and very successfully done, that branch coming first under Mr. Roberts.

54. He promised loans to small businesses. Even the members of the C.C.F. party did not think this was possible but he implemented a nation wide program of loans for small businessmen.

55. In the realm of labour the Prime Minister promised extension of the period in which seasonal unemployment benefits are paid, and this was increased by two months.

56. He promised hundreds of millions of dollars for housing and, Mr. Speaker, $2 billion have been made available. I have no hesitation in saying that, after studying the programs of other countries, Canada has the greatest housing program and the greatest number of houses per capita of our population of any country in the entire world.

Finally, he made certain promises with regard to provinces and municipalities.

57. He promised a new deal that would maintain the constitution and preserve the equalization principle in dominion-provincial relations. This has been done by ending the tax rental.

Mr. Pickersgill: Ask the premiers.

Mr. Walker: It was also done by restoring to the provinces the right to impose their own taxes, and he also introduced equalization to the "have not" provinces.

58. The Prime Minister promised greater aid to the provinces and this has been done in no uncertain way, with a billion dollars a year more than was given under the last Liberal administration.

Mr. Pugh: Twice as much.

Mr. Walker: You bet; twice as much. You are right.

59. He promised to convene a meeting of federal and municipal representatives to hear the municipalities' views on their financial problems. This has taken place with tremendous results.

60. Last, but not least, he promised something that was spoken about in the House of Commons ever since the end of the war, and even before the war. He promised a bill of rights and such a bill of rights is now on the statute books. He brought into line a backward Liberal party that through its years of government strenuously opposed a bill of rights. Now we have the provinces following in line.

Let us get away from vilification during the debate on the throne speech, but let us not forget that we inherited inflation such as had never taken place in Canada previously. For 12 years the Canadian dollar fell in value by three cents a year. As a matter of fact it went down 38 cents, with the result that when we came into power we had galloping inflation. We have now cured that. Do you hear anything about inflation now?

Mr. Pickersgill: Ask any housewife.

Mr. Walker: Ask any housewife is there tight money now? There certainly is not.

Mr. Pickersgill: Don't forget the high interest rates.

Mr. Walker: We inherited the greatest recession that ever hit the country since 1929. So that the hon. member for Bonavista-Twillingate may not remain on the record unchallenged, he suggested, as reported at page 701 of *Hansard*, that the depression of the 30's began under the Bennett administration. Do you not remember 1929 when we had the greatest crash of all time, which took place in November of that year? Do you not remember the dog days? I was walking the streets trying to get employment during those days—January, February, March, April and May of 1930—as the paralysis of our country set in. Then in July the Canadian people rose in their wrath and threw out the Mackenzie King government and brought in Bennett. Those are the facts of history and they cannot be gainsaid. In the recession of 1956—

Mr. Pickersgill: A recession in 1956?

Mr. Walker: Yes, it was predicted in the hidden report which was tabled in March of 1957.

Mr. Pickersgill: That statement isn't true.

Mr. Walker: It was tabled. I can produce the report and table it in parliament now so that my hon. friend may have it.

Mr. Pickersgill: It has been tabled already.

Mr. Walker: This report predicted that the economy of Canada had been going downhill since 1956. The Liberal government knew a recession was on the way but took no steps to obviate it. However, in spite of the Liberals trying to hide this, the people realized that it was on the way and for a second time they threw out a Liberal government and restored Canada by bringing in a Conservative administration.

It is true we have deficit spending. Deficit spending is right in a recession and we have deliberately had it. It has been a principle of both parties, and of the C.C.F. party too, that in times of recession one can indulge in deficit spending to bring the country out of recession.

Mr. Pickersgill: That is not what the Minister of Finance said in his budget speech.

Mr. Walker: Do you know that in the 95 years since confederation there have been only 24 surpluses? Does my hon. friend suggest that in those years of recession, brought on by the Liberal administration, we should have tried to have a surplus? We deliberately had deficit spending.

Mr. Pickersgill: The Minister of Finance promised a balanced budget.

Mr. Walker: The pay-off is that in this year, 1962, C.P.R. statisticians and prudential life statisticians predict an increase in gross national product of 7 per cent, which would be approximately $3 billion. The actual increase in the gross national product will be twice as great as all the deficits incurred up to the end of April of this year. Does the pay-off not justify deficit spending to produce that increase in gross national product? The facts cannot be controverted. When we came into power the gross national product was $30 billion but at the end of 1961, five years later, the gross national product had increased from $30 billion to $37 billion, an increase of 22 per cent, something that is almost incredible in view of the situation in which we found ourselves when we took over the administration of the country's affairs.

Now that we are on the highroad to prosperity we will turn our attention no

longer to deficit spending. True, there will be deficits this coming year—there is no question about that—but when we are on the road to prosperity, as we truly are, watch the future and watch how well we do this job.

Mr. Speaker, all these things have been done at a time of stress and strain. We have made this magnificent contribution to Canada, and at the same time increased the social justice payments to a figure that not even the most ambitious of us could ever have contemplated. As I conclude my remarks I must say this, that the Leader of the Opposition has changed his tune from gloom and doom to Tory boom.

Mr. Churchill: Mr. Speaker, I rise on a question of privilege affecting all hon. members of this house. This morning the hon. member for Bonavista-Twillingate accused hon. members of this house of interrupting those who were speaking. He has now interrupted the Minister of Public Works on 23 occasions in the short space of 30 minutes.

Some hon. Members: Shame.

Mr. Pickersgill: Mr. Speaker, if anyone will consult the record of what I said, it will be found that I said we accepted as a normal part of debate interventions from across the floor that were related to the speech—that will be found in *Hansard*—but it was this barracking by half a dozen members at the same time that was objectionable. I have no apology to make for seeking to correct some of the grosser errors made by the Minister of Public Works.

Mr. Deputy Speaker: I believe the question of privilege has been duly disposed of.

(Translation):

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, following the example of my colleagues, I should like to congratulate you upon your appointment as chairman of the committees of the whole. May I also extend my congratulations to the mover and the seconder of the address in reply to the speech from the throne (Mr. Bourdages and Mr. Browne, Vancouver-Kingsway).

I should like also to tell the house that we were sorry to learn that the Minister of Agriculture (Mr. Hamilton) was ill. We wish him a prompt recovery and hope he will soon be back in the house.

Mr. Speaker, I intend, during the few minutes allotted to me, to set forth my opinion on government policy.

I should like to refer in particular to an industry on which the people of Drummond-Arthabaska depend to a great extent, that is agriculture. I would have liked to have time to deal also with the textile industry, but I shall have the opportunity to come back to that subject on another occasion.

If you examine the present situation of the Canadian economy and compare it with that of other countries in Europe and America, you will find that it cannot even be compared with the one that prevailed in this country a few years ago.

The first thought that comes to mind, is to find out the causes of that stagnation and recession. Would it be that we lack resources or that we are wanting in financial and intellectual potentialities? Yet, Canada is the richest country of the world in all kinds of natural resources: lumber, coal, oil, large and numerous water courses, iron and all types of minerals, and Canadians are a healthy and hard-working people.

During the last quarter century, before the Conservatives came to power, our country made great progress and yet the means at its disposal were far from being as efficient then as those which are available nowadays. Industries have developed, means of communication have expanded and improved, the St. Lawrence has been deepened, pipe lines have been laid and numerous other services have been organized.

If Canada has known such intense development in that quarter of a century it is because we have had at the head of the government, sincere and competent men of action.

Inertia and incompetence have now replaced action and efficiency. The Canadian people are the spectators of a big show costing a lot of money, but which will soon come to an end.

To get an idea of the country's stagnation today you only have to look at the per capita gross national product figures, the determining factor of a country's prosperity, which have gone down from $1,959 in 1956 to $1,898 at the end of 1960, on the basis of the constant 1949 dollar.

Yesterday, Canada was the second country in the world as to per capita production; today it is the third. It used to be the world's third trading nation; it has now been relegated to fifth place in that respect.

When we are informed of the country's financial situation in a few months—unless a general election is called before then—the Minister of Finance (Mr. Fleming) will announce his fifth consecutive deficit. It will be in excess of $1 billion. According to the *Financial Post*, cash deficits could well reach $1.5 billion.

What about unemployment which seems to be a left-over from the Conservative administration of the years 1930-35? In February of last year, the number of unemployed reached 713,000, which means that one out of every nine workers was unemployed. On January 13 of this year, the figure was still 545,000. We have just heard the Minister of Public Works (Mr. Walker) sing the praise of the Conservative government; he claimed that the present administration has fulfilled all its promises.

Well, there is one promise they did not keep, namely to give employment to all workers, to give them an opportunity to earn their living.

When the Prime Minister states that he has kept 50 of the 62 promises he made during the 1958 election campaign, he is very careful not to mention the ones he did not keep, such as his solemn undertaking in the 1957-58 election to check unemployment once and for all.

Let me quote what was reported in the Montreal *Star* of February 19, 1958:

(Text):

As long as I am Prime Minister everything that can be done—everything without regard to limit—will be done to the end that no one will suffer.

That is one of the promises he has not kept.

If the Prime Minister believes he has kept all his promises, let him tell it to the 545,000 unemployed, let him tell it to the 545,000 wives and the millions of children of those unemployed.

Mr. Pigeon: Have some respect for Mr. Lesage.

Mr. Boulanger: Mr. Speaker, we have had, since 1957, a government which holds a great many records; the record for unemployment; the record for deficits, for deferred decisions, for administrative sham, for seeing things, for confusion, hesitation and inaction.

We would be inclined to believe that, in the field of agriculture, the situation is altogether different and that farmers are enjoying some kind of prosperity. Well, in agriculture as in all other fields of activity, we would have to go back to the years of Lord Bennett's Tory government to find the same distressing conditions that now exist among the farmers.

I would not have enough time to make a full analysis of the situation and to explain the extremely serious difficulties which face agriculture throughout the country; however, to give you a good idea of the poor state of agriculture under a Conservative government that has been in power five years, let me quote the opinion expressed by an outstanding citizen, formerly minister of Mines and Technical Surveys in the present government before his appointment to a high office in the province of Quebec. Here is what he said to the Montreal chamber of commerce, as reported in *La Presse* of November 22, 1961:

The farmer is a neglected man. Moreover, he does not derive the income he should from his work. Although he plays in our society a most essential part for which he must have more and more qualifications, the farmer does not look for popular acclaim but, unfortunately, neither does he reach the standard of living he should expect.

Farm productivity has doubled over the last twenty years. The number of farms has gone down by one tenth in ten years, but mechanization has come to our farms to stay. In spite of that tremendous technological development, the farmer's economic situation has not improved and his purchasing power has decreased considerably.

If one adds to that the farmer's insecurity because of the seasons and the temperature, the diseases and whims of nature, his income is far too low to cope with the difficulty.

That is right, Mr. Speaker, the farmer's income does not allow him to meet his obligations; I could even say that the milk producers in the country, especially in eastern Canada, do not derive sufficient income from that industry.

That statement from a former minister of the crown contradicts that of the member for Roberval (Mr. Tremblay) who said in this house, on March 2, 1960:

No one would deny that the agricultural situation in the province of Quebec is, at this time, excellent.

His words often go beyond his thoughts, and that is why perhaps he is now talking about separatism.

Mr. Speaker, some time ago, I read in an article that the Minister of Agriculture had just announced that the net income of farmers, from farming operations, had reached an all-time high in 1961, and that it amounted to nearly $3 billion. I would not like to contradict that statement because it is true, but it is only one aspect of the agricultural situation. It is just as if I said to a layman: the salary of a federal member is $8,000 a year, plus $2,000 for expenses. At first sight, that sounds reasonable; but if we take into account all the expenses incurred to represent our electors properly, reality is quite deceiving.

When we refer to the gross income of farmers, the figure is impressive, especially in the mouth of a visionary. But if we want to be frank and sincere, we must consider operation and depreciation costs to know what remains in the farmers' pocket. What farmers are interested in is their net income.

The point that the Minister of Agriculture wants to hide is the fact that the farmers' net income from farming operations has been the lowest since 1956. The net income forecasted by the authorities of the Department of Agriculture would be $1 billion, compared to about $1.3 billion in 1960. This means that the farmers have made $352 million less in 1961.

How can such a decline be explained? It is because the government has not yet had the wisdom of putting a stop to the increase in the cost of goods and services purchased by the farmers.

The promise of widening the spread between production costs and selling prices has again been violated and trampled under foot.

Mr. Pigeon: Will you please not read so fast.

Mr. Boulanger: One of the problems which deeply concern the farming authorities is the existing situation of the dairy industry, especially in eastern Canada and mainly in the provinces of Quebec and Ontario which produce 67 per cent of all the Canadian dairy products.

The producers and consumers may be held responsible for our tremendous surpluses of butter and all other farm and dairy products. In so doing, however, we would not be fair to them because there is no one else actually responsible for the situation but the two ministers who have been in charge of the agriculture department since 1957. Both, one after the other, in taking over the management of that department, saw fit to bring about changes in the law passed by the Liberal administration on the recommendation of the late Right Hon. James G. Gardiner.

The Agricultural Stabilization Act was amended in order to give back to the farmers the share of our national income to which they are entitled and to assure them of a price fixed a year ahead for the sale of their produce.

In the case of the dairy industry, this act proved itself to be wrong, illusive and misleading and it could even be described as mythical.

Here, I refer to the words of the hon. member for Rosthern (Mr. Nasserden) who said on January 28, 1960, as reported on page 469 of *Hansard*:

> I am one of those who believes that agricultural policy has one prime and overriding objective, namely a fair share of the national income to those who produce the nation's food. Down through the years farmers, farm organizations and most of our ministers of agriculture have agreed that stability of production and orderly marketing were instruments valuable beyond compare as a means of achieving that objective. So it was that the former government, under the guiding influence of the minister of agriculture, the Right Hon. James Garfield Gardiner, brought into being, among other measures, the old prices support act. Farm people across Canada wanted something better. They were encouraged to believe that the new stabilization act would provide that something better. I would remind hon. members of the preamble to that measure.

And he concluded his remarks by speaking on the Agricultural Stabilization Act passed by the Conservative government with the following words:

> If I understand this program correctly, it is the most retrograde step that could be taken from an already established position. Moreover, the arguments used are unworthy of an informed ministry.

Such was the opinion of a Conservative member and I think that it reflects the opinion of all Canadian farmers.

Proof that this is backward legislation lies in the price of farm products, and especially of milk, which has gone down considerably in the last few years.

This decline of prices would be serious in itself, but there is another factor which is still more damaging to the farm income, and it is the increase of production costs.

For every hundred dollars that the farmer paid for goods and services in 1956, he now pays $114, whereas the sale price of his products has not increased, or only by a fraction.

Therefore, it is in no way surprising that bitter criticism should be voiced by various farm groups in this country with regard to a lack of competence and action on the part of the Minister of Agriculture (Mr. Hamilton).

I could quote some newspaper items commenting on the government's dairy policy but I shall just say that the Prime Minister and the Minister of Agriculture seem to lack interest as far as that industry is concerned.

As the Secretary of State (Mr. Dorion) stated two days ago, we now have a surplus of 200 million pounds of butter, 60 million pounds of cheese and 30 million pounds of skim milk.

We now have enough butter in stock to feed the Canadian population for the rest of the year. And a production surplus of 45 million pounds is expected for next year, which will add to an already huge surplus.

What does this government mean to do to alleviate the situation? Why does it hesitate before acting in accordance with the advice the government received from the opposition and Canadian farm unions?

We would have expected the Secretary of State to make an interesting announcement when he spoke in this house two days ago. However, after having listened to his speech and gone over it, I realized that he knows nothing, absolutely nothing about the present agricultural conditions in Canada.

Besides, his ventures in this field are not incriminating, since he puts as much caution in his statements on the floor of this house as he does in signing incriminating letters. His secretary signs them.

This is what the Secretary of State had to say:

> The Agricultural Stabilization Act, passed by this government, has been of great benefit to Bellechasse constituency, as it has to all eastern Canada. Formerly, under the previous regime, unstable prices had been a sort of worry and disappointment. At times, prices were quite high, at other times they were too low and, naturally, this had a substantial bearing on the farmers' income.

Mr. Pigeon: Read more slowly.

Mr. Boulanger: I should have liked to make some remarks on the Agricultural Stabilization Act, but I am afraid that my time will run short, and I will go on to the comments made by another member, the member for Champlain (Mr. Lahaye), who, in one of his very rare contributions to our debates, went out of his way to criticize, in a most unbecoming and malicious way, the hon. member for Laurier (Mr. Chevrier). I must remind him very kindly that he will not succeed in his attempts to bring disrepute on a man who has been elected every time since 1935. The hon. member for Laurier has been a minister with a group of the greatest men Canada has ever known.

Mr. Pigeon: He refused Gaspe a railroad.

Mr. Boulanger: And his name will go down in history with those of Mackenzie King, St. Laurent and Lapointe.

Mr. Pigeon: I hope that after the next election, he will pass to history.

Mr. Boulanger: The hon. member for Champlain was speaking more particularly about prices established for butter and powdered skim milk. He said:

> The minimum price for butter was set at 58 cents a pound and the price for powdered milk at 17 cents by a Conservative administration.

And he added:

> What an anomaly.

In fact, Mr. Speaker, there is an anomaly resulting—

Mr. Lahaye: On a point of order, Mr. Speaker—

Mr. Boulanger: That anomaly results—

Mr. Deputy Speaker: Order. The hon. member for Champlain is rising on a point of order.

Mr. Lahaye: Yes, Mr. Speaker. That is not correct. I did not say that the price of butter was set at 58 cents a pound and that of powdered milk at 17 cents by a Conservative government, because this happened under a Liberal government.

Mr. Boulanger: Mr. Speaker, I apologize.

Mr. Pigeon: This is not the first time he has twisted the facts.

Mr. Boulanger: Mr. Speaker, for the information of the hon. member for Champlain, I must say that there is indeed an anomaly, in that this government, which took over from a Liberal administration, has increased the price of butter to 64 cents a pound, but has reduced the support price for powdered skim milk. What are the results today? Milk which was selling at $3 per hundredweight in 1957, now sells for only $2.75 per hundredweight. These are the results of the policy of the Conservative government.

Mr. Pigeon: Mr. Lesage has his own responsibilities too.

Mr. Boulanger: I challenge anyone to prove the contrary—

Mr. Pigeon: Mr. Courcy has his responsibilities.

Mr. Boulanger: —even the member for Joliette-L'Assomption-Montcalm, who does not understand anything about dairy industry problems.

The Liberal government was justified in fixing the price of powdered milk at 17 cents a pound at the time; what is not justifiable is for the Conservative government to have abolished the price support on powdered milk.

When I hear the hon. member for Champlain commend the government for its agricultural policy in relation to the dairy industry, I say that he does not know anything about it, that he does not represent the views of his electors at all—

Mr. Pigeon: Whom are you representing?

Mr. Tremblay: You are representing the dead, the war dead.

Mr. Boulanger: Mr. Speaker—

An hon. Member: We'll fix you at the next election.

Mr. Boulanger: Mr. Speaker, in commenting on the speech made by the hon. member for Laurier, the hon. member for Champlain did not say all. For his information, I shall quote the very words spoken by the hon. member for Laurier at Cap de la Madeleine, because I have here the full text of this speech. Here it is:

> And to what must we mainly attribute that decline in farm income? First and foremost to the Conservative government, which is abandoning the price support program introduced by the Liberals, as the egg and pork producers know only too well. More than that, in 1959, the government disowned the legislation it had caused to be approved by both houses before the 1958 election, which legislation guaranteed a reasonable price support on eggs and pork.
>
> Once the elections were over, and it had secured votes from a great number of farmers because of that 1958 legislation, the government dropped the price support and replaced it by deficiency payments on very small quantities. The farmers who, in 1958, trusted the government, increased their production of pork and eggs, but in 1959, the government took away from them all the security they had been guaranteed before the elections.
>
> What should we think of a government which, through the measures taken by its agriculture minister, brings about a continuous drop in farm incomes, thereby betraying his electoral program—

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but I must tell him that his time has expired.

Mr. Pigeon: The hon. member for Laurier knows nothing about agriculture.

(Text):

Hon. H. J. Flemming (Minister of Forestry): I am pleased, Mr. Speaker, to make some comments in this historic debate. I wish to make some observations regarding measures forecast in the speech from the throne. However, before proceeding to discuss various items I specifically refer to the motion before us moved by the hon. member for Laval and seconded by the hon. member for Vancouver-Kingsway. It is no mere formality so far as I am concerned when I congratulate the mover and the seconder on the subject matter of their remarks and the excellence of its presentation. I listened to the speeches with great interest and found that there were expressed by both the mover and the seconder thoughts which I consider are tremendously significant to every member of this house, especially to those of us who are members of the Conservative party.

My friend the hon. member for Laval brought to the attention of the house the fact that the Conservative party has always believed in private enterprise. He said private enterprise is the very essence of democracy. In his speech he stated that Canada under a Conservative regime is living its finest hours of freedom and that there is a place in the sun for everybody in this great country of ours. He stated that private enterprise and the state are two great friends who, provided they keep understanding and helping each other, will never see hovering above them the dark cloud of doubt and suspicion. And he continued, "For man is not made for the state; it is the state that is made for man". I think those eloquent words so well expressed by my friend the hon. member for Laval are most inspiring and thought provoking, and I commend them to the house for re-examination.

Then, the hon. member for Vancouver-Kingsway in his interesting and analytical address said much with which I concur—as a matter of fact, I usually concur with what he says anyway. However, his comments with which I find myself in complete agreement are found at page 23 of *Hansard*, about two thirds of the way down the first column:

> The time has long passed when during the course of a single speech one could begin to recite all the accomplishments of the present administration because they are far too numerous

I think you will quite understand why I agree with those remarks. Later on, as recorded at page 27 of *Hansard* he made this statement which I enthusiastically endorse:

> By any analysis of the government's record there is no cause for fear now or in the future. By any analysis of our economy and its future prospects there is no cause for pessimism. By any analysis whatever there is every reason for all Canadians to move forward to a greater and brighter future under the brilliant leadership of the Right Hon. John G. Diefenbaker, one of the world's outstanding leaders.

A day or two ago, Mr. Speaker, the hon. member for Kent, New Brunswick (Mr. Michaud), in speaking in this chamber, referred in most appropriate words to the passing of the late Senator Leger. At this time I wish to say that I subscribe fully to what he said concerning this distinguished citizen of our province. My experience with the late Senator was not as close as I would have desired it, but I always found him to be,—whether in New Brunswick or in Ottawa and under all circumstances—always the perfect gentleman. He will be greatly missed by all and I take this occasion to extend sympathy to his wife and family.

It is with pleasure that I congratulate you, sir, on having been appointed Deputy Speaker of this house. I am confident that you will

discharge your duties with all the qualities necessary to commend the respect of all hon. members and in accordance with the best traditions of this house. I am also pleased that my hon. friend, who formerly held the same position, is now the Minister of Mines and Technical Surveys and I am certain that he will continue his career of distinguished public service. I am certain that he will execute his duties to the satisfaction of all concerned.

May I also express my regret at the loss I believe this house has suffered in the removal of the fine gentleman who was the immediate predecessor of the present Minister of Mines and Technical Surveys, a man of fine disposition and even temperament and a man of tremendous ability. He will bring great credit to himself and honour to our country as the representative of Her Majesty the Queen in the province of Quebec.

I should like to congratulate all who have participated in this debate. Naturally I have been more impressed by those who spoke in support of the administration than those who did otherwise. Sometimes I was rather annoyed at some of what I consider to be very undeserved criticism. However, Mr. Speaker, it has been a most interesting debate, I believe, for all concerned.

I should like at this time to say a word or two concerning the momentous event of history that took place on Tuesday, February 20, when history was made on behalf of our great friends to the south, the United States of America, by Colonel Glenn, who was the successful astronaut and space man who covered 81,000 miles, circling the earth three times and finally landing in practically the exact intended location.

I feel a distinct sense of satisfaction for myself and happiness for every citizen of the United States. Having spent the greater part of my life living practically alongside the United States border, having travelled frequently and freely back and forth, having made many friends and having acquired an addition to my family from that great country since my son brought a lovely wife with him back to Canada, I am very pleased and I rejoice with our neighbour to the south in the tremendous scientific achievement and accomplishment of Colonel Glenn on behalf of his country.

It seems to me that we in this house might very well consider that unemployment is our greatest domestic problem and, next to world peace, probably the most important one. However, I feel there is a difference between those on this side of the house and the Liberal opposition in our approach to it. We believe in and work for employment. They seem to enjoy talking about unemployment. This has been the pattern in recent years. They never ask how the figures compare with a year ago, a month ago or how they compare percentagewise with the richest country in the world, the United States. They appear to gloat and almost express pleasure when the figures of unemployment go up, and they indicate no particular satisfaction when they go down.

I contend that the program of this government announced in the speech from the throne on November 17, 1960, has, to the extent of my knowledge, been tremendously successful. It called first of all for a larger program of assistance to municipalities for winter works. My comment is that this has been tremendously effective. Efforts have been made and are being made in every part of our country to plan our activities in such a way that there will be maximum employment during the winter season.

There is nothing new about winter unemployment. I have spent my life in the business of lumbering and in connection with woods operations we always had people employed who worked at something else during the summer. It is just that we are going through a different phase and different plans must be made in the future. There is no question, Mr. Speaker, but that the winds of change are blowing. Activities which were adequate in the past will not, for one reason or another, be adequate in the future, and it is tiding us over this period of change that renders assistance to municipalities so important since the intention is to stimulate winter works. I submit, Mr. Speaker, that the winter works program was last year, is this year and will be in the future an effective program so far as meeting the problem of seasonal unemployment is concerned.

I would also draw the attention of the house to the fact that all possible public works are now being carried on during the winter season. I have no doubt, and I am sure the house has no doubt, that this will have a most beneficial effect, and it will continue to be done in the future to the fullest possible extent.

Since the employment situation is much improved this year compared with last, I wonder whether anyone has taken the trouble to ask himself or herself what has brought this about. I submit that government policy, government activity and private enterprise, inspired and assisted by government participation, are responsible for the improvement. It did not just happen.

Let me recite some of the changes instituted by the government in the past two years. We are told, Mr. Speaker, that we

need to be reminded more than we need to be educated, and so I am going to review some of the things which I think are responsible for the fact that today we have a lessening of unemployment compared with a year ago. This will continue to be the case and that should bring to every member of the house the greatest possible degree of satisfaction.

First, the government announced a five year extension of the policy of sharing in the expense of hospital construction from March, 1963, to March, 1968. I do not need to elaborate on the importance of this. I am sure that hon. members are all convinced that hospitals which are badly needed subsequent to March, 1963, will be planned for. They need to be planned for, and this program has a twofold advantage. It furnishes work and it also furnishes the hospital. Federal aid will be available and municipalities will know what they may expect in that five year period. This is most important, and the result will be more construction, more jobs, direct and indirect, and more hospitals.

There is another encouragement to construction in that Central Mortgage and Housing Corporation has been authorized to increase their volume and improve their terms of mortgage lending. We listened to the Minister of Public Works tell us this afternoon that Canada had the greatest record with regard to housing of any 18 million people in the world, and I submit this is due to the fact that the government has recognized the situation. We all know of the increase. We know of the great acceleration in construction generally and in the building of homes in particular. We all know that there has been a reduction in the rate charged by the corporation. We all know that this has contributed tremendously to the furnishing of employment both directly and indirectly. There is an old saying that there is no better way to improve general economic conditions than to stimulate construction, and I have no reason to doubt that that is the case today.

I should also like to draw the attention of the house to the fact that recent legislation authorized Central Mortgage and Housing Corporation to become a partner with provincial authorities with respect to urban redevelopment, which is often called slum clearance, but whatever it is called it is most desirable. With respect to this action I say that it has been most definitely job producing.

Then there is the question of universities and their need for more residences. Recent governmental action provided special authority to Central Mortgage and Housing Corporation to make loans for university residences on attractive terms. To my certain knowledge this has been used to a great extent by many universities.

We also have another illustration in the provision of long term loans for sewage disposal and treatment plants up to two thirds of the cost, with the special incentive that the federal government will write off, in other words, will make an outright grant of 25 per cent of the cost for all expense incurred up to March, 1963.

I should like to refer now to one item in some detail because I live in a province where waterways are tremendously important. The Saint John river, of which the upper part is international, has a difficult pollution problem, and the prevention of any increase in pollution of this waterway is vital to our province. I only cite this as one instance of the need to grapple with the situation, but to add to our difficulties so far as the Saint John river is concerned there are many branches of it flowing from the state of Maine, thus complicating an already complicated situation.

Some years ago the New Brunswick government passed legislation encouraging the municipalities to deal with the whole problem of sewage disposal and participating in the financial implications. The provincial legislation plus the federal legislation should be a tremendous incentive for all municipalities to face up to the situation, grapple with it and deal with it. I submit that this is most essential legislation. It has been used to a great extent though not to the extent it should be; but it is on the statute books, it is to the credit of the government, and in my opinion it will be of increasing value and will be recognized as such.

May I refer for a moment now to the productivity council. I do not expect to elaborate on this. It has been debated in this chamber by many members, and I am sure that the general hope and expectation are that it will bring about a great improvement. The same plan has been tried in England with outstanding results. In Canada the productivity council has become established and has held meetings. The chairman is an outstanding and successful businessman. I believe that from a long range point of view this council will achieve results and I feel we are fortunate we have so many capable people on this council rendering valuable and efficient service.

Now I have a word to say concerning guarantees for bank loans for small business, a subject which would appear to deserve

comment. As hon. members know, this measure provides for the government's guaranteeing a portion of bank loans for small businesses, to finance additions and for the improvement of business premises and equipment. A few evenings ago I listened to a debate on the floor of this chamber dealing with the extension of this act so that it might meet additional needs of something like the same general nature. Our friends in the opposition voiced tremendous concern because they said it had not been used much, in fact used so little, with only $23 million worth of applications so far. Some of them almost shed tears—I believe of the crocodile variety. Now, Mr. Speaker, I come from a part of the country where $23 million is a lot of money and when that amount of loans has been made under this general heading and realizing there has been considerable difficulty in getting a proper understanding with the chartered banks, and other difficulties which are not uncommon to new legislation, then it is my submission that properties have been improved under this legislation which otherwise would not have been improved because there was no provision under which this type of business could borrow. As a matter of fact this legislation has been an outstanding success. It has brought about increased employment and great benefit to small businesses.

Extending assistance to provincial governments for vocational training has been another one of the achievements of the government. This has led also to the retraining of those who have already become employed. The legislation likewise provides a grant of 75 per cent of the amounts expended for technical schools prior to March 31, 1963. We heard a report on this a few evenings ago from the Minister of Labour and I now have figures from him indicating that there have been 236 vocational and technical schools either built or improved under this act. The figures given me, which I believe are up to February 9, indicate that these schools will cost a total of $254,300,000, of which the federal share will be $170,000,000. I am likewise informed that of these 236 institutions 128 are new schools, 78 are additions to existing schools, and 30 are alterations to existing schools. I do not believe I need to elaborate on the importance of this assistance, or to emphasize that it has much more than one benefit because the construction of these schools furnishes a good deal of employment and stimulates employment in many industries.

Then there is the benefit in the technical education and vocational education of young people, in the opportunity furnished them to acquire a technical and vocational knowledge so important in this age of mechanical activity and automation. I submit that this program has been a tremendous success and I believe the Minister of Labour in particular, the government in general, and the people of Canada as a whole will derive great satisfaction and benefit from this program.

Much has been said in this house concerning secondary industry, its need and its importance. I believe the house is familiar with what took place in connection with the "class or kind" legislation which was passed last year. I listened quite intently to the various debates on second reading, committee stage and third reading of that measure. In my opinion the action of certain members of the opposition, presumably with the knowledge and consent of their leader, and perhaps under his direction, gave every reason that they be accused of conducting a filibuster against this legislation. I found myself unable at that time to comprehend their attitude, and I still find myself unable to do so.

They had complained that governmental action in connection with employment was long overdue and there was nothing that might furnish, reasonably prompt amelioration of the difficult situation existing with regard to employment. They said everything was long range and that we should do something that would have an immediate impact on the unemployment situation. Yet we saw them acting in such a way that I believe would be capable of being considered obstruction, or would appear to be attempting to postpone almost indefinitely the passage of the act. I submit that when goods of a class or kind made in Canada are imported into this country, that must displace potential jobs for Canadians.

The proposed act was to give the minister authority to deal with any situation without delay. Yet we saw our friends opposite gang up in an apparent attempt to prevent the passage of that legislation. I do not know how they will explain their action to the people of Canada in the coming election. Indeed, I would not care to have the responsibility which they have. Probably they will say that eventually the act was passed, but we know what happened to it. It was not passed in the other place and consequently did not become law. In my opinion it was legislation which would have kept Canadians working at their jobs and which, in some cases, would make a direct contribution to the establishment of new jobs.

Little has been said in this house regarding the development of the Columbia river. I suppose, coming from almost the extreme eastern part of the country, it might be considered a trifle presumptuous for me to say much about it but it is a subject which

is most interesting to everyone. I am sure that everyone within the sound of my voice is well aware how this matter stands at the present time. A treaty has been signed by Prime Minister Diefenbaker on behalf of Canada, and the Minister of Justice and the Minister of Finance have been working diligently and faithfully to secure agreement with the province of British Columbia.

More progress has been made under this government in connection with this great development—the greatest that Canada has ever undertaken, greater perhaps than the St. Lawrence seaway—than in any other period of our history. As a matter of fact we in the east hardly knew there was a Columbia river until the coming into office of the administration of Prime Minister Diefenbaker. I am one of those who believe that the difficulties which are now irritating, and which have brought about some delay in carrying out the plans of the government in connection with this great project and the development of this great waterway, will be overcome. I have the greatest confidence that those who are working towards a solution of the difficulties will be successful and within a short time arrangements will be made to proceed with this tremendous undertaking.

I shall now mention the program for agricultural rehabilitation and development. In connection with this objective, legislation has been passed, a director has been appointed and plans are under way whereby the aims and objects of this particular legislation will be advanced. It is a long term objective.

In the process of the establishment of the many families making up the population of this great nation undoubtedly much land has been cleared which is probably not very suitable for the growing of agricultural crops. I have no doubt that there is much cleared land in our country that is more suited to the growing of crops of trees than any other crop. I assure the house that there will be the utmost co-operation between the department over which I have the honour to preside and the Department of Agriculture, in connection with future plans under this particular legislation. Let us make no mistake about it. This is one of the most important pieces of legislation that has ever been put on the statute books of this great country.

The Minister of Agriculture has great plans for the future under this act. He is assured of complete co-operation from us and the house may be assured that I anticipate a most successful long range development under this act, all for the good of agriculture and for the good of everyone connected with it.

[Mr. Flemming (Royal).]

I wish to refer to the railway which has been mentioned by the Minister of Public Works as one of the accomplishments of the government in the carrying out of its promises. It is just within the last day or so we saw a picture in the newspapers of the Minister of Northern Affairs and National Resources sitting on a bulldozer. He was apparently turning the first sod for that railway. It seemed to me that this was a tremendous undertaking, 400 miles from northern Alberta into the north, the opening up of a tremendous new country and opening up great vistas and great prospects for all our people. Now we find the situation is that the funds have been voted, the survey has been completed, the work has been started and the minister drove the machine which turned the first sod. If this may be considered by the house as being a progress report, it seems to me a pretty good one. What more could we ask? For years the Liberals talked about it. We are doing it.

The speech from the throne contains many more important passages and declarations of intent. It is certainly not my purpose to try to refer to each of them because time would not permit. Hon. members will perhaps recall that I said a few moments ago in the course of these remarks that unemployment—or employment, if you like, because I prefer to refer to employment in the positive sense—that in the furnishing of employment it seems to me the peace of the world is the most important objective. The speech from the throne contains a recital of many important happenings of the past. I submit, Mr. Speaker, that the preservation of peace is the most important single objective that any government could have. I refer especially to these words in the speech from the throne:

> The Canadian government remains devoted to peace as its primary objective.

I see no sign of any dissent around this chamber, neither did I expect any.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. minister, but his time has now expired.

Mr. Matheson: Mr. Speaker, may I ask the minister a question?

Mr. Deputy Speaker: The minister's time had expired, and unless there is unanimous consent it is too late to ask a question.

Some hon. Members: Agreed.

Mr. Matheson: Mr. Speaker, does the minister not know that the Columbia river negotiations began under a Liberal government?

An hon. Member: It did not do anything.

Mr. Churchill: They finished nothing.

Mr. Flemming (Royal): What is the question?

Mr. Matheson: The question is, does the minister not know that the Columbia river negotiations began under the former Liberal administration?

Mr. Flemming (Royal): Mr. Speaker, in answering the question of the hon. gentleman, I made no comment about when the negotiations began. I made a comment as to the result of the negotiations and what had been accomplished by this government.

Mr. Hamilton (Notre Dame de Grace): You dragged it out for 13 years; we did it in two.

(Translation):

Mr. Gerard Loiselle (St. Ann): Mr. Speaker, I would like to associate myself with all the previous speakers to congratulate and offer my best wishes of success to the hon. members for Quebec South (Mr. Flynn) and St. Hyacinthe-Bagot (Mr. Ricard) for the confidence the Prime Minister (Mr. Diefenbaker) has shown them. I would be remiss if I did not mention the movers of the address in reply to the speech from the throne, the hon. members for Laval (Mr. Bourdages) and Vancouver-Kingsway (Mr. Browne). They have really shown a creative spirit in the sense that they succeeded in making something out of nothing.

The hon. member for Laval broke into the chorus his leaders have been singing since 1957 about the poor legacy left by the Liberals. Following the example set by his leaders, he voluntarily forgot, or simply ignored like his colleagues a certain part of that enviable legacy left by the former Liberal administration.

And by the way, Mr. Speaker, what was that legacy? In brief, this country lived in an atmosphere favourable to the economic expansion which had been taking place for many years; Canada still had in all parts of the world the peak of her prestige but not a peak in the sense the Conservative members from Quebec understand it; the Nobel peace prize, awarded to our former minister for external affairs, who is now the leader of the Liberal party (Mr. Pearson), confirmed the universal esteem and friendship of the countries of the world toward Canada.

To come back to the national front, the former administration, from 1946 to 1957, through an administrative policy which lent more importance to the welfare of the nation than to the welfare of the party reduced our public debt by almost $2½ billion; there was over $900 million in the unemployment insurance fund; the former administration had also left a special fund of $165 million for national defence purposes and let us not forget the $272 million surplus in the last federal budget. Here is the true legacy left by the Liberals in 1957.

But what happened after the coming to power of a group of Conservative adventurers who were then and still are today more thirsty for domination and power than they are concerned about the general welfare of Canadians.

Here is a very concise summary of what really happened here under a Conservative administration. The conversion loan of more than $5½ billion flooded the bond market, and expanding private enterprise was hard hit by those who like to call themselves its champions. The result was that Canadians will, for years and years to come, pay an additional amount of $52 million just to pay the interest on that loan. To which we must add the not inconsiderable amount of $25 million which went to pay friendly brokers' commissions as well as publicity costs. That is how the Conservatives went about upsetting our Canadian economy soon after they came into power.

In the international field, the total lack of the most elementary sense of diplomacy in some of our ministers is doing considerable damage to our good relations with Great Britain. The Minister of Finance (Mr. Fleming), the Minister of Trade and Commerce (Mr. Hees) and the Prime Minister (Mr. Diefenbaker) himself are largely responsible for that deplorable state of affairs. Yet, they spend their time, especially the Prime Minister, posing as champions of the commonwealth. They keep talking about it, but they never miss an opportunity to undermine it. The Minister of Finance denied the reports about the speeches delivered at the Accra conference. Is it through ignorance or insincerity that he is unaware of an indiscretion of the Minister of Trade and Commerce who gave a copy of his speech to a reporter? That is how we learned the truth, the actual truth, about the almost senseless stand taken by the Canadian representatives at Accra. They pretend today that this actual truth reported in the press has been distorted and misrepresented.

The Conservatives went even further: within two years, they reduced to nothing our repayment of $2.5 billion on the public debt by increasing the debt by $2,218 million. In addition, the Conservatives have almost depleted the $900 million unemployment insurance fund, while completely draining

the special national defence fund of $165 million as well as the $272 million surplus of the last Liberal budget. To that we must add an ever increasing number of deficits without our country experiencing in return a prosperity proportionate to its wealth. We must also take into account unemployment which again this year, and for the fourth consecutive time, has reached proportions which are truly at variance with the Prime Minister's vision of 1958. Since the opening of the session, the parrots on the government side of the house have been repeating endlessly that unemployment is less serious this year than a year ago. If that is true, the better for those who are working. However, I do not think that this will be of much comfort to the hundreds of thousands of Canadians who cannot find jobs.

That is not all. In his celestial vision, the Prime Minister had promised us a tax reduction. What happened? In the fall of 1957 and in June 1958, the Conservatives did indeed reduce taxes by an amount of $204 million. The Prime Minister promised a $500 million reduction, but to him promises are more important than deeds, as far as votes are concerned.

In the 1959 budget, the Minister of Finance raised taxes by $352 million, apart from the indirect tax on the workers, the small wage-earners in this country, as he increased by approximately $80 million the employees' and employers' contributions to the unemployment insurance fund. But that was not enough. The Prime Minister wanted to fulfil his promises to the limit. At the same time he increased the sales tax from 10 to 11 per cent as well as the tax on spirits and cigarettes and he raised from 47 to 50 per cent the tax on corporation incomes over $25,000.

Add up all those increases and you will find that the Conservatives have taken back at least two or three times the slight $204 million decrease, with the result that Canadians today pay much more in taxes than before the Conservative magicians came to power. Yet, this does not prevent the Conservative parrots from repeating, with the assurance that comes from ignorance or bad faith, that the Tory administration has reduced taxes. What reduction? The situation in which the Canadian economy really finds itself has not, by any means, prevented the specialist in sensational and resounding statements, the Associate Minister of National Defence (Mr. Sevigny), from proclaiming shamelessly in Toronto, on November 4, 1960:

> Never has the country been so prosperous as under the Diefenbaker administration.

Another one who, like his leader, feeds on visions.

Mr. Speaker, at this point, I should like to go back to a matter—

Mr. Tremblay: Mr. Speaker, would the hon. member permit a question?

Mr. Loiselle: —which I discussed on so many occasions in this house, the slum clearance—

Mr. Deputy Speaker: Order. The hon. member for Roberval (Mr. Tremblay) rises to ask a question.

Mr. Tremblay: I should like to ask a question, Mr. Speaker. Could the hon. member tell the house who wrote this speech he is having such a hard time to read?

Mr. Loiselle: Mr. Speaker, I might tell the hon. member that this speech is my own; I wrote it myself.

Mr. Tremblay: Was it not written by someone else?

Mr. Deputy Speaker: Order. All hon. members should listen to the hon. member who has the floor and not interrupt from their seats. If some members persist in acting this way, I will ask them to stop or to please go and make their remarks outside this chamber. Otherwise, it would be impossible to proceed with this debate. I ask all hon. members to co-operate so that the debate can proceed in an orderly fashion.

I recognize the hon. member for St. Ann (Mr. Loiselle).

Mr. Loiselle: Thank you, Mr. Speaker, for calling the house to order. The hon. member for Roberval has spent the whole afternoon yapping on the other side of the house while hon. members on this side had the floor, and it is about time you intervened.

Mr. Deputy Speaker: I must call the hon. member for St. Ann to order. I did not mention anyone in particular. Interruptions are made from both sides of the house. All I ask is that all members co-operate with the Chair in compliance with standing orders. I feel the hon. member for St. Ann should refrain from making such remarks about his colleagues. All he has to do is proceed with his speech.

Mr. Loiselle: Mr. Speaker, I bow to your ruling, and now I would like to revert to a subject I have dealt with many times in this

house, that is the slum clearance and the provision of low rent housing. I have always been interested in that question which I have brought to the attention of the government since the Montreal St. Ann riding has elected me.

That riding is one of the oldest areas of Montreal and I must say, Mr. Speaker, that the workers who live there and that I have the honour to represent are great-hearted men who deserve consideration.

As a councillor of the city of Montreal I had the honour to be appointed to the sanitary housing board, under the previous administration. I always made it a point to emphasize the need for clearing the slums and replacing them by low rent housing.

In 1960, the sanitary housing board, asked the economic research corporation to investigate and report on the housing situation in the city of Montreal.

In the first days of July 1961, the board submitted to the present administration a very comprehensive report on the Montreal housing situation.

I may assure you, Mr. Speaker, that the report is not very encouraging and is food for thought. I would say that the report alone should have convinced our municipal board of directors and the management of the Central Mortgage and Housing Corporation that immediate action was imperative. To justify my statement, I shall just say that Montreal has 17,645 slum dwellings in which 29,282 families are living. Those figures mean that a total of 116,450 people, or 8 per cent of the whole population of Montreal, experience hardship in unsanitary surroundings which beggar description.

There have been people in the past who criticized the Jeanne Mance housing project. And, at this point, I want to bring to the attention of the house a financial report in this morning's *Le Devoir* with regard to that project, which, it is said, has yielded a surplus of $70,755.43.

Some people said, before the housing centre was built, that Montreal could not afford it. May I tell you, Mr. Speaker, that having followed closely the building of those housing units, I am very happy about the results. I am therefore pleased to point out that surplus today, as it should encourage our municipal and federal administrations to go ahead with similar projects in the city of Montreal.

The Jeanne Mance centre created some 800 new housing units equipped with all facilities required for modern living. Not only are there no vacant flats in those units, but I may assure hon. members that there is a waiting list which might surprise many hon. members. Even though these housing projects are not perfect, we must admit that they have made possible the clearing of an important district of Montreal and, especially, a great number of families have found in them all the comfort of a modern home. Moreover, this type of housing has greatly contributed, I am sure, to a substantial decrease in juvenile delinquency in this area. Montreal has an urgent need for several other similar housing projects, comprising units with several rooms for our large families.

In its report, the economic research corporation mentions that there are 17 blighted areas requiring redevelopment. Of these 17 residential areas, 9 were considered in a mediocre or bad condition and have been dealt with in a very detailed report.

Zones 2, 3 and 5, and a part of zones 1 and 4 are located in my constituency. May I point out, Mr. Speaker, that zone 2 covers 310 acres, zone 3, 160 acres, and zone 5, around 275 acres.

This justifies the pleas I have repeatedly put forward to the government for slum clearance and construction of low cost housing.

I therefore repeat my request to the Minister of Public Works (Mr. Walker) who is responsible for the Central Mortgage and Housing Corporation, and I urge him to give special consideration to the representations of the administrators of the city of Montreal, so that a favourable decision can be reached as regards assistance to these 30,000 families.

If, perchance, the minister is somewhat dubious about the merits of my statements, he might yield to my invitation and see for himself, on the spot, the conditions under which families live in these slums. I will gladly take him around. He would, therefore, be able to see for himself the inhuman and pitiful conditions under which those workers' families live in my riding. He might also have to go up or down shaky staircases.

I have here photographs which were published in Montreal newspapers showing the frightful conditions which I just mentioned. I might even draw the minister's attention to a newspaperman's caption below one of those photographs:

The rear balcony, which will soon give up, has many uses. It is used at the same time as a dump and as a storage for the furniture which could not be placed in the rooms of the apartment. This is where they go also if they want to get a bit of fresh air.

After a meeting in Ottawa of the mayor of Montreal with the Prime Minister (Mr. Diefenbaker) and the Minister of Public Works, the latter, in a statement made a few days later, described Montreal as a surplus area.

I should like here to read a few sentences from an editorial published in the newspaper *Le Devoir* of January 19, 1961:

A peculiar situation, since Montreal may just as well be considered as a housing shortage area, because it is the only possible justification and explanation of the continued enforcement of rent control in the metropolis, 16 years after the war ended and long after all other war controls have disappeared.

Nevertheless, federal authorities are most serious in their stand for the only reason that Central Mortgage and Housing Corporation is stuck with empty apartments which it cannot rent.

So we have a metropolitan area with a housing surplus and a housing shortage at the same time. There is a surplus and a wide choice for those who can afford to pay a relatively high rent and an acute shortage for those with a low income.

And the newspaperman goes on, Mr. Speaker, to explain that situation.

Again in the same connection, Mr. Speaker, I shall keep on calling the minister's attention to this very ticklish matter which is being discussed both by the Montreal authorities and by the leaders of the various organizations of the city of Montreal. In fact, I cannot but keep on renewing my representations to the minister.

As there are some hundreds of unoccupied apartments in houses built with the assistance of the Central Mortgage and Housing Corporation, the government is turning a deaf ear to the municipal authorities' repeated requests for slum clearance, to facilitate the construction of low rental housing. Such a thoroughly negative attitude on the part of the government is in no way justified, if we consider that it has granted credits for the building of housing in localities quite far from the Montreal labour centres.

In the face of the hard-headed obstinacy of the government which refuses its financial assistance for the construction of housing, the Montreal municipal authorities are considering asking the provincial government to grant them special powers to decree the freezing of municipal assessments in some areas for a ten year period.

[Mr. Loiselle.]

If such a request were granted by the provincial legislative assembly, it would allow the construction of more sanitary housing, without any increase in real estate taxation during that ten year period.

However, the fact remains that those less fortunate workers are paying taxes to the federal administration and they are entitled, just as any other Canadian citizens, to benefit from the National Housing Act and from the loans granted by the Central Mortgage and Housing Corporation. In fact, I cannot understand the obstinate attitude of the federal government towards the Montreal labour communities. The Minister of Public Works will undoubtedly allow me to appeal to his humanitarian feelings on behalf of my fellow citizens.

Mr. Speaker, I would briefly deal with another matter I raised a few times in this house. This is the construction of the C.B.C. building in the eastern part of the metropolis. Over two years have gone by since the representative of the municipal administration and those of the corporation reached an agreement on the site and purchase of land for the establishment of the whole radio and television services.

As you know, Mr. Speaker, those services are at present located in several buildings scattered throughout the city, and such a situation is very costly for the taxpayers.

The relocation of the C.B.C. services in eastern Montreal, in addition to eliminating a great many slum dwellings in an older part of the city, would be an incentive for several owners to improve their buildings. Furthermore, in many instances, we would see the construction by private enterprise of magnificent apartment blocks around that site. This would be a repetition of what is happening at present in the western part of the city along Dorchester boulevard. I am actually wondering why the government is delaying so much its decision about that project. The Minister of National Revenue (Mr. Nowlan) always seems to be without a definite answer in that connection. I recently put repeated questions to him and to the Minister of Public Works in an effort to obtain an encouraging answer. Unfortunately, there was nothing definite in their replies.

I ask the government to carefully examine the situation and let us know its stand on that problem which requires speedy action. Let the government say yes or no but at least let it say something sensible. If the answer is yes, I say without hesitation that the

eastern part of Montreal will be the scene of a redevelopment which is well deserved. If the answer is no, at least the municipal authorities will know where they stand.

In a transaction of this kind, the important point is not to know who gets the better part of the bargain but to be aware of any possible agreement between two governments for the sole purpose of serving the best interests of a whole community.

I hope that the Ministers of Public Works and National Revenue will be able to announce the good news shortly, so that the residents of Montreal who pay their share of taxes to the federal government may be treated fairly by those responsible in the central administration.

At this stage of my remarks, I should like to deal with a matter which is mentioned in the speech from the throne in these terms:

> My government is initiating negotiations with the provincial and municipal authorities with a view to removing the tolls on the Victoria and Jacques Cartier bridges in Montreal; should these be successful you will be asked to approve legislation for this purpose.

In reply to a question which was directed to him recently, the Minister of Transport (Mr. Balcer) stated that he has had some news in connection with the negotiations going on with the province of Quebec but that he has not heard from the city of Montreal. In fact, I doubt that he will receive a definite reply from the municipal authorities of Montreal because, if my information is correct, the only exchange of correspondence between the city of Montreal and the Department of Transport is a letter marked "personal and confidential" which was sent to the municipal authorities. How then could the latter make public their views on that question when they are sent a personal and confidential letter.

Being a citizen of Montreal, I am, like my fellow citizens, in favour of the elimination of tolls on Jacques Cartier and Victoria bridges but under certain conditions. I am almost convinced that very few are aware of all the facts about the Jacques Cartier bridge and more particularly about the terms of the agreement passed between the federal, provincial and municipal governments.

As a matter of fact, according to that agreement, the city of Montreal was to pay an annual amount of $150,000 for its share of the deficits, and from 1930 to 1951 the operation of Jacques Cartier bridge cost the taxpayers of Montreal the sum of $2,789,768. From 1951 to 1957, the same operation brought financial surpluses and if my information is correct, I believe the Quebec provincial government never paid its share of the deficits. When the authorities of the city of Montreal in 1944 decided to discontinue their payments, court procedures were initiated and, following a judgment, the city of Montreal was condemned to pay its share of the deficits for the years 1944 to 1949 inclusive. As a matter of fact it had to pay $210,407 in interest charges and $3,552 for legal fees.

Mr. Speaker, it is good politics, especially on the eve of a general election, and to save a few seats on the south shore, to offer the elimination of tolls on Jacques Cartier and Victoria bridges. I am all for it, so that my fellow citizens of Montreal might benefit from it, if possible, but provided the contract be amended and the operation of this bridge become the joint responsibility of the federal and provincial governments. Thus, the Montreal taxpayers would no longer be required to assume their share of deficits and maintenance.

The operation of the Jacques Cartier bridge, from the time it was built until now, has cost Montreal taxpayers the sum of $3,003,738. Furthermore, for the last two years, following an agreement between the federal government and the municipal administration, citizens of Montreal who have to use the Jacques Cartier bridge to get to St. Helene island, owned by the city of Montreal, have had to pay an additional amount of a little over $42,000. Why should the citizens of Montreal always be the ones to pay, when the time comes to be of service to the surrounding municipalities? It has always been said, in the past, that Montreal was the "milch cow" of the surrounding municipalities.

Some hon. Members: Oh, oh.

Mr. Loiselle: Mr. Speaker, I hear someone giggling, but I am sure it would do some hon. members good to drink milk.

I am in favour of the removal of tolls, but on condition that the present agreement between the authorities of the city of Montreal, the government of the provinces of Quebec and the federal government be amended so that only the provincial government and the federal government shall be responsible for the operating costs of the bridge.

Mr. Speaker, in the course of his remarks today, the hon. member for Quebec-Montmorency (Mr. Lafreniere) said that small industries in Quebec were granted loans amounting to $23 million by the federal government.

Well, when he spoke on February 15 last, the Minister of Finance made the following statement, as can be seen on page 915 of *Hansard*:

> From the inception of the act in January 1961 to the end of last December, 2,977 loans amounting to over $25.5 million were made to small business enterprises.

Mr. Speaker, I cannot compare the figures quoted by the Minister of Finance and those given by the member for Quebec-Montmorency (Mr. Lafreniere) who said that small industries in the province of Quebec alone had received the sum of 23 million whereas the total amount of the loans granted throughout the country reached 25.5 million.

I would like to see small industries in the province of Quebec receive not only the sum of 23 million but much larger sums because the whole future of the province of Quebec is predicated upon the achievements of small business, and I am convinced that their growth should be encouraged.

(Text):

Mr. W. G. Beech (York South): Mr. Speaker, may I first of all offer my congratulations to you on your appointment and wish for you every success in this new and important position. May I also extend my congratulations to the hon. member for Laval and the hon. member for Vancouver-Kingsway for the excellent manner in which they introduced the motion we are now discussing. Of course, Mr. Speaker, they had good material with which to work. When we consider that less than five years ago no member of this government had sat on the treasury benches, I think we can say that they have an outstanding record of achievement. This record appears to be disturbing some of the members of the opposition. I was greatly disappointed to hear the hon. member for Bonavista-Twillingate (Mr. Pickersgill) adopt the tactics he adopted today. First, he accused the Prime Minister (Mr. Diefenbaker) of having at one time been associated with the Liberal party. Then he accused him—

Mr. Pickersgill: I rise on a question of privilege, Mr. Speaker. I made no such accusation. In what I said the hon. gentleman will find nothing to that effect, although I believe it is true.

Mr. Beech: He then went on to say that the Prime Minister was opposed to old age pensions.

Mr. Pickersgill: That is well known.

[Mr. Loiselle.]

Mr. Beech: May I say this. I have known the Prime Minister for a great many more years than has the hon. member for Bonavista-Twillingate and never at any time or under any circumstances did he either directly or indirectly ever take a stand against old age pensions. This is unequivocally and completely false information. The hon. member for Bonavista-Twillingate—

Mr. Pickersgill: Mr. Speaker, the hon. gentleman has just stated that I made a false statement to the house. I think that statement raises a question of privilege. Perhaps I should allow Your Honour to rule on whether or not it does so before I attempt to say anything further.

Mr. Deputy Speaker: As I understood the hon. member, he said that it was based on false information. Is that correct?

Mr. Beech: That is right, Mr. Speaker.

Mr. Deputy Speaker: Hence a question of privilege would not arise at this time.

Mr. Pickersgill: Speaking on a point of order, may I say that I take it I will be permitted, at the conclusion of the hon. gentleman's speech, to make a correction.

Mr. Deputy Speaker: Yes, that procedure would be in order and in accordance with the established practice.

Mr. Beech: I should like to say that the hon. member for Bonavista-Twillingate has a certain amount of ability and that it should not be necessary for him to adopt these tactics. Earlier this afternoon he offered the Prime Minister some advice. I wonder whether he would mind accepting a little bit of advice himself, namely that the good salesman does not attempt to sell his product by pulling down the other fellow or by trying to discredit the other chap's product.

Mr. Pickersgill: I give the same advice to the Prime Minister.

An hon. Member: There he goes again.

Mr. Beech: For the last two years I have been in receipt of representations by the representatives of the Canadian boiler society protesting the importation into Canada of pressure vessels that do not meet the specifications required by the various provincial governments. Approaches have been made by the provincial chief boiler inspectors to the Departments of Trade and Commerce, National Revenue, and Finance, asking for the assistance of the federal government in controlling this problem. Thus far these approaches have met with little success, and my purpose in addressing the house today is to

lend my support to their efforts and to solicit the help of all hon. members in what I believe to be a reasonable request.

All the provinces have enacted legislation governing the manufacture, installation and operation of certain pressure vessels, the primary objective being the safety of their citizens. To this end, no boiler may be installed that does not meet the specifications set forth in that legislation. Nor may these vessels be placed in service unless they have been examined by inspectors appointed by the government for that purpose. Furthermore, no boiler may be operated except by persons who are authorized under certificate issued by the provincial department concerned, after an examination based on the type of boiler to be operated.

The number of inspectors and the task of carrying out these inspections are lessened because of the regulations governing the manufacture of boilers, and there can be no doubt that the law requiring that these boilers be built to certain specifications is the main factor responsible for the relatively few accidents due to the explosion of boilers in this country.

Adhering to these regulations does impose upon the manufacturer certain obligations which I believe they have no desire to evade, but I also believe that it is unfair to impose these requirements on Canadian manufacturers and then to allow boilers to come into Canada from foreign countries which do not impose the same requirements.

The Canadian boiler society is only asking for equal competition. If the safety of our people depends upon these boilers being built to certain specifications, then surely all boilers should be made to conform regardless of where they come from. The society has suggested that this could be brought about by the federal government requiring that all boilers imported into Canada bear a stamp indicating that they have been made according to the specifications required by Canadian regulations. As the government already requires some imports to be stamped and as there are no tariff revisions requested, there seems to be no valid reason why the suggestion made by the Canadian boiler society and the chief boiler inspectors of the provinces should not be granted, particularly as it affects the safety of Canadian citizens.

I should like to take this opportunity, Mr. Speaker, to thank the Prime Minister (Mr. Diefenbaker) for giving me the honour and privilege of attending the NATO parliamentary conference in Paris last November. I found the discussions there most enlightening and I have a much broader picture of the problems facing us in foreign affairs.

I appreciated the opportunity given to visit our forces attached to the NATO command, and I can tell the house that I believe that the Canadians have the finest fighting force in Europe. They are upholding the finest traditions of our armed services and deserve the best and most effective weapons and facilities we are able to procure for them. I also enjoyed attending the remembrance day ceremonies at Vimy Ridge and I want to commend the Minister of Veterans Affairs (Mr. Churchill) for the intense personal interest he is showing in the perpetuation of these memorial services at our national shrines, for there is no truer measure of the character of a nation that the manner in which that nation honours its dead.

Mr. Deputy Speaker: The hon. member for Outremont-St. Jean.

Mr. Pickersgill: Mr. Speaker, if you will permit me to make a correction, the hon. gentleman said that I had made a statement this afternoon about the Prime Minister being opposed to old age pensions, which was based on false information. The Prime Minister was a candidate in the constituency of Prince Albert in opposition to Mr. Mackenzie King in the election of 1926, as can be found by consulting the Parliamentary Guide, and one of the main issues in the election of 1926 was the opposition by the Tory party to old age pensions. If the Prime Minister says he was not in support of his party—

Mr. Deputy Speaker: Order. The hon. member has the right to make a short correction but he does not have the right to continue the debate. The hon. member for Outremont-St. Jean.

Mr. Walker: On the point of order, Mr. Speaker, old age pensions were introduced in 1908 by a Conservative member, as can be found on page 2398 of *Hansard* of that year, and the Prime Minister has always been in favour of old age pensions from the time he was a child.

Mr. Deputy Speaker: I believe that the matter raised by the hon. member for Bonavista-Twillingate involves an explanation, which he has given, and I do not think it should be the subject of further debate at this time.

Mr. Pickersgill: On a question of privilege, Mr. Speaker, Your Honour interrupted me and I took my seat before I had completed my explanation. You allowed a minister of the crown, who had no right of any kind, to get up and make a statement and it seems to me—

Mr. Deputy Speaker: Order. I believe the hon. member had already completed the personal explanation that he wished to make and he was embarking on a matter of debate. That is why I have ruled that the matter should now be closed and the floor is given—

Mr. Pickersgill: Why should the minister be allowed to debate it?

Mr. Deputy Speaker: —to the hon. member for Outremont-St. Jean.

(Translation):

Mr. Bourque: Mr. Speaker, may I call it six o'clock?

(Text):

Mr. Deputy Speaker: The hon. member for Outremont-St. Jean has asked that we call it six o'clock and it is five minutes to six. Has he unanimous consent to call it six o'clock?

Some hon. Members: Agreed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

(Translation):

Mr. Romuald Bourque (Outremont-St. Jean): Mr. Speaker, I wish to join those who spoke before me in congratulating the hon. member for Laval (Mr. Bourdages) and the hon. member for Vancouver-Kingsway (Mr. Browne) for the excellent way they carried out their task as mover and seconder of the address in reply to the speech from the throne.

I also wish to congratulate you, Mr. Speaker, and I wish you all possible success in your new functions.

I also wish to extend my congratulations to the hon. member for Quebec South (Mr. Flynn), the new Minister of Mines and Technical Surveys. May he also have every success in his new post, as well as the new parliamentary secretary to the Prime Minister, the hon. member for St. Hyacinthe-Bagot (Mr. Ricard).

At the beginning of this speech, let me say how proud I am of my chief, the leader of the Liberal party (Mr. Pearson). I listened with great attention to his speech on the address in reply to the speech from the throne and I congratulate him warmly for it.

(Text):

Since September, 1960, there has been a substantial increase in the money supply. In May the government asked Mr. James B. Coyne, the governor of the Bank of Canada, to resign and since his resignation became effective there has been a startling increase in the money supply. The Coyne controversy lasted for about four weeks and during that period there was only a moderate increase in the money supply. But in the week ending August 2 there came the largest weekly increase in the money supply that has ever taken place, $267 million. Since then there has been a further net increase of $157 million. From October, 1960, to October, 1961, the increase has been $842 million. The increase during the 12 weeks that followed the resignation of Mr. Coyne was $452 million, more than half the total year's increase.

Since the Diefenbaker government came into office there has been a great expansion in our money supply and this form of inflation, monetary inflation, can be highly dangerous. The purpose of these Diefenbaker excesses and expenses, in expanding the money supply, is no doubt to sell its bonds. The Diefenbaker government, since taking office in 1957, has had an unbroken series of deficits totalling $2,105,000,000 to March 31 last and the Minister of Finance has estimated that the deficit in the current fiscal year ending March 31, 1962, will be $980 million while the gross total up to that date will approximate $300 million, a staggering amount of money.

This cannot be accepted as a permanent way of life. The deficits should be met by direct borrowing from the public instead of by an increase in the money supply. The shocking situation which has developed as a result of this policy is that now far more Canadian assets are owned by outsiders, mainly citizens of the United States, than was the situation when this government took over in 1957. This resorting to the printing press and the new Diefenbaker dollar is bound to deliver us to foreign investors whose currencies have become so much more valuable in Canada, and we may anticipate a still larger inflow of United States and other foreign currencies, further pressure on our exchange rate, further government requirements in the capital market, further upward pressure on interest rates, and so around again in a vicious circle.

Mr. Clancy: You are reading your speech. Why don't you table it.

Mr. Bourque: May I quote from the Toronto *Globe and Mail* for November 24, 1961, an article which is headed "Money supply rise in year near $1 billion." The excerpt reads:

> The increase in the money supply was begun by the Bank of Canada early this year and has had to be undertaken in large part to help finance the government's anticipated cash deficit of $1 billion.

I also have a clipping from the Winnipeg *Free Press* of November 18, 1961, which reads:

> Money supply soaring... In October alone, it took $187,000,000 to maintain the position of the Canadian dollar in terms of U.S. currency.

Mr. Clancy: Why not read the whole editorial?

Mr. Bourque: You can make your speech later, my friend.

Mr. Clancy: I will.

Mr. Bourque: I should like to quote from the Montreal *Gazette* of January 12, 1962. This article is headed "Fund braking rate by U.S. dollar sales". It reads:

> The exchange stabilization fund is actively selling American and buying Canadian dollars on the foreign exchange market to prevent the exchange rate for the Canadian dollar from falling off too precipitately.

The Diefenbaker government, by thus increasing the money supply, has simply pumped out paper money, what the late Mr. Aberhart used to call "fountain pen money".

Mr. Nesbitt: Will the hon. member permit a question?

Mr. Bourque: You can ask a question later on when I have finished. Over the past four years the Diefenbaker government has increased our money supply by approximately 25 per cent, a fantastic percentage.

I should like to quote an article from the Winnipeg *Free Press* of December 12, 1961. It is headed "The victims" and it reads:

> Some unnamed Ottawa economists are explaining away the enormous increase in the money supply in the past few months by saying that it was made necessary by increased economic activity in the country... The real reason is not increased business activity but the fiscal needs of the Diefenbaker government.

Further on the article states:

> Since it took office in 1957 the Diefenbaker government has had deficits totalling $3 billions. It has increased the money supply in the same period by $3.06 billions.
>
> In the long run the victims of this policy will be those who have life insurance, pensions and other fixed investments which decline in value when profligate governments inflate the currency.

I should like to quote a further article from the Montreal *Gazette* of November 29, 1961, which reads:

> Dollar at 10-year low point.
>
> The dollar has been steadily weakening, in foreign exchange transactions—

Then under the heading, "Canada to appear before IMF in January":

> Informed sources at Washington yesterday said the international monetary fund likely will scrutinize Canada's economic and monetary policies at a meeting of the executive board in January.

The Diefenbaker government expenditures have been greatly in excess of the money received from taxes. Unwilling to increase taxes or cut expenditures, the proper recourse of the government was to borrow money from the public to pay for deficits incurred. But the Diefenbaker government seemed unable to sell these huge amounts in bonds to the people, at least directly. The public seemed hesitant to buy unless higher rates of interest were authorized.

With interest rates approximately 50 per cent higher than in the pre-Diefenbaker days there was still reluctance on the part of the public to purchase these bonds, so finally the Minister of Finance had to resort to the printing press or fountain pen money.

Mr. Bell (Carleton): That is utter nonsense, complete nonsense.

Mr. Bourque: The increase in the money supply under the Diefenbaker government has been very great. In 1958 the increase was $1,324 million. We are now at some point in a second great expansionist splurge. On October 4, 1961 the total was $14,550 million, up $76 million over September 27. In 1958-59, on top of a very large deficit, the government converted much of the federal bonds into longer term securities, resulting in a gigantic financial failure. The Diefenbaker government inherited a rate from the Liberal government of 3½ per cent. In 1958 the rate of interest had reached 5.8 per cent due to the government's great deficits plus an upward movement in interest rates.

The printing press method of creating money has been demonstrated to be a disastrous expedient in country after country where it has been tried. It leads to uncontrolled inflation, which could sweep across Canada like a prairie fire bringing desolation and ruin in its path.

Maybe hon. members think it could not happen here. It could happen here, just as it has happened in many other countries. There is nothing sacred about the Canadian dollar which can enable this government to defy economic laws. In the United States between 1940 and 1957 inflation cut the buying power of the dollar in half. What has happened before can happen again, and worse. Not only can it happen, but it is happening now right here in Canada.

Mr. Bell (Carleton): That is not true.

Mr. Bourque: This government must immediately change its attitude. Many people think inflation is a good thing. They believe that by cheapening the value of the dollar it is helping the little fellow. They believe they can pay old debts with cheap dollars. It never works out that way. The little fellow will soon find his savings sadly shrunken, and maybe completely wiped out.

Canadian citizens have a tremendous stake in maintaining the buying power of our dollar. Their savings, their insurance and their future pensions are worth a definite, stated number

of dollars. Deflated dollars could cut the value of these dollars to one half their present value.

An hon. Member: Tell us about goof balls.

Mr. Bourque: The goof ball bill was a good bill. It was needed at the time it came in. You must admit that it was badly wanted. I should now like to read a clipping from the Toronto *Star* of July 22, 1961 under the heading "Dollar cheaper—and up go prices". The article is by Gordon McCaffrey:

A shock wave of higher prices is hitting the Canadian consumer.

It's bumping up the prices of most of the things we buy—food, clothing, home furnishings, building materials, repairs for cars, industrial equipment and office machinery.

The result will be increasing pressure on the cost of living index, which for the last few months has been holding steadily at about 129.

I should now like to read a clipping from the Vancouver *Sun*—

(Translation):

Mr. Boulanger: Mr. Speaker, on a point of order. I draw your attention to the fact that the hon. member for Roberval (Mr. Tremblay) is presently making all kinds of remarks. If he wants to go on, he should speak from his seat which is near the exit.

Mr. Pigeon: Do not read so fast, please.

(Text):

Mr. Bourque: I should now like to read from a clipping of the Vancouver *Sun* of November 9, 1961, under the heading "The cost of devaluation...." The article reads:

It's difficult for the average citizen to decide whether Ottawa's fiscal juggling will provide a cure for all our economic ills or end in financial calamity.

Then later on, under the title, "....And where will it lead?" the article continues:

—it appears that either higher interest rates or inflation must come when it's time to pay for this year's experiments.

I should like to read another clipping from the Toronto *Telegram* under date of August 25, 1961. The title is "No right to lecture, your policies 'A Mess' U.K. writer chides us". The article says:

The cause of Canada's present economic plight has been her absurd financial policies—

Then a further clipping from the Winnipeg *Free Press* of November 3, 1961, under the title "Bear by the tail". The article reads:

When Mr. Fleming announced earlier this year that the government had decided to use the resources of the exchange fund to drive down the price of the Canadian dollar, his statement was received with some incredulity by those who remembered his earlier speeches on this subject. After all, this was the same Minister of Finance who had warned parliament in March, 1960 that: "An attempt by the government artificially to lower the external price of the Canadian dollar would involve borrowing or raising by taxes very large sums with which to buy up foreign exchange". Mr. Fleming at that time had cited various cogent objections to any such course and had summed up in this flat statement: "In other words we would be embarking upon a gigantic financial speculation with no assurance of success".

Then further down in the article:

The minister is, indeed, "beginning to look, and act, like a man with a very large bear by a very short tail... He can't let go and, as matters now stand, he can't hold on much longer".

Then later:

Mr. Fleming is, indeed, walking the brink with no assurance that he can get back with his own and the taxpayer's skin.

Every time the buying power of the dollar goes down, so does the value of our savings, our insurance and our pensions. We must protect the value of the dollar itself. Inflation must cease. It must stop now; we may not be able to stop it later. Unless we stop inflation now the result will be not only the serious losses we would have to bear, but we will face a serious recession and increased widespread unemployment.

An hon. Member: Gloom and doom.

Mr. Bourque: If we continue to increase Canada's money supply we will eventually decrease by one half the value of the Canadian dollar. It is like pouring gasoline on the fire. When one considers that the government was again compelled to sell 134 million American dollars during January to withstand discount pressure on the Canadian dollar, now five cents off par, one begins to appreciate how dangerous the Minister of Finance's printing operations have become.

Mr. Bell (Carleton): Would the hon. gentleman permit a question?

Mr. Bourque: Due to the unbroken succession of huge deficits and to the policy of the Diefenbaker government—

Mr. Bell (Carleton): Is this incredible nonsense—

Some hon. Members: Sit down.

Mr. Bourque: —to manipulate the exchange rate and thereby force down interest rates and the value of the Canadian dollar in terms of the United States dollar by the new tactic of manipulation, what might soon happen is of vital importance. This manipulation is so obvious that it was pointed out by my colleague from Leeds on June 23, 1961. This will be found on page 6949 of *Hansard* for 1961.

(Translation):

How does the minister propose to "manipulate" the rate in the manner and to the extent he believes to be desirable?... Where are we going to go for the moneys that are going to be necessary

to go into the market and buy these United States dollars? I submit that we have two alternatives. We are either going to borrow more or we are going to print more and neither is a very happy choice. We have to do one or the other.

(Text):

Canada, as I said before, is now far advanced on the greatest inflation of our money supply in our history. Every Canadian will be affected—it will, in effect, influence and change the value of the dollars earned by each and every Canadian, the dollars they have in the bank or in investments. It is bound to affect those who live on pensions and those with fixed incomes. It will even prove to be a menace to all life insurance policies. Every Canadian will suffer thereby. Every Canadian will be poorer. Never has a government been in such a predicament. Investors are not interested in purchasing the bonds of a spendthrift government without a policy. Should the government risk putting out a bond issue it might have to admit that the bonds will not sell. Having overspent by many millions of dollars above the taxes received, due to lack of policy, this government dare not resort to the recognized methods of taxation or borrowing; it resorts as I said previously to the printing press and prints fountain pen money, thereby undermining our currency.

I have gleaned a considerable amount of my information from newspaper articles published by the late Mr. Grant Dexter. The late lamented Mr. Dexter, editor emeritus of the Winnipeg *Free Press*, was an outstanding journalist and a man who contributed greatly to the prestige of the so-called servile press of Canada.

We are immensely interested in the figures provided by the government in answer to starred question No. 2 placed on the order paper by my colleague from Leeds (Mr. Matheson). This starred question asked:

(1) What has been the net increase or decrease in the money supply for each of the years 1950 to 1961 in terms of volume and percentage?

(2) What has been the net increase or decrease in the money supply for each of the months of 1961?

(3) What quantity of silver dollars have been minted in 1961 (a) prior to July 13, 1961 (b) subsequent to July 13, 1961?

From the reply given by the Minister of Finance, placed on record in *Hansard* of Monday, January 29, 1962, it would appear that in 1961 the increase of money had been surpassed only once in the last 12 years—in 1958, just before an election. In 1957 when the present government came to power, the total amount of money was under $12,000 million and in 1961 it had increased by approximately 25 per cent to about $15,000 million. If this is not inflation, what is inflation? The Diefenbaker-Fleming government will go down in history as a government of economic tinkerers who never faced up to any fundamental economic problem. One can summarize the answer to starred question No. 2 by saying that in four years of recession the Diefenbaker-Fleming combination has pumped into circulation substantially as much money as the Liberal administration did in eight years of substantial growth. If hon. members will look at the answer to part three of the question they will conclude that soon silver dollars will be as scarce as hens' teeth. It takes too much metal to make a dollar's worth of money.

May I now cite a few excerpts from the address of Mr. Earle McLaughlin, president of the Royal Bank to the bank's annual meeting recently. Mr. McLaughlin said that on a similar occasion last year he had discussed the problem of maintaining Canada's independence. He added that the general problem is still with us and that in some respects our difficulties may have increased rather than diminished. He mentioned the fear we had last year concerning the burden of our external debt, of economic union, of foreign domination through the inflow of capital from abroad. This he said had now changed to a feeling of concern over Canada's place in a developing world economy. Canada, he told his audience, must adjust to this environment and make its own positive contribution. He spoke of three types of floating rates. From 1950 to 1960, he said, Canada had a true floating exchange rate, its value being determined entirely by demand and supply. From December 20, 1960 to June 21, 1961, this true floating rate was abandoned in favour of what might be called a nudged floating rate, and a downward pressure on the Canadian dollar was exerted through the purchase of United States dollars in the open market.

In the final budget of June 20, 1961, a third variety of floating rate appeared, with the result that the nudged floating rate has clearly given way to a manipulated floating rate. That is the end of this summary of the president's remarks. It is my sincere opinion that a manipulated rate is undesirable.

The following paragraphs I quote verbatim from Mr. McLaughlin's speech:

Now it is this policy of manipulation, the very success of which depends on the creation of uncertainty, even confusion, in the exchange market, that I maintain cannot be accepted as a permanent part of our international financial machinery.

"Follow John" has now become an outmoded slogan soon to be relegated to the waste paper basket. The people will not be fooled again.

Mr. Bell (Carleton): The hon. gentleman indicated he would answer a question at the conclusion of his speech. Would he indicate whether the incredible and fantastic nonsense he has read to the house is now the official policy of the party for which he speaks?

Mr. Pickersgill: It seems to have excited hon. gentlemen opposite.

Mr. Bourque: Would the hon. member mind repeating his question? I did not hear it all.

Mr. Bell (Carleton): Certainly. Will the hon. gentleman indicate whether the incredible and fantastic nonsense he has read to the House of Commons is in fact a statement of the policy of the Liberal party?

Mr. Bourque: I have supported all the statements I have made by newspaper clippings. I did not say all those things. No doubt those people are aware of what they are saying. I have substantiated everything I have said.

An hon. Member: Too many goof balls.

Mr. Bourque: The goof balls bill was a good bill.

Mr. Nesbitt: During the course of his speech the hon. member indicated he would accept a question at the end of his remarks. I wonder if I might ask my question at this time? Would the hon. member inform the house to what extent the cost of living in Canada has risen in the last two years.

Mr. Bourque: I believe it is an all-time record.

Mr. Nesbitt: Would the hon. member not agree that when the government of his party over there was in power the cost of living rose 38 per cent and that it has risen only 6 per cent in the last four years?

(Translation).

Mr. Theogene Ricard (Parliamentary Secretary to the Prime Minister): Mr. Speaker, the debate on the speech from the throne gives hon. members an opportunity to express their views on government policies. In the few minutes at my disposal, I should like to make a brief review of the events which occurred since the present government came into power.

First of all, I should like to quote from an article which was published in the January 19, 1962 issue of *La Presse* under the signature of Mr. Vincent Prince and which reads as follows:

> Once more, the government feels ostensibly generous. Let those who have been forgotten rise and be counted.
>
> For the time being, it seems that the government does not feel we have the obligation of returning it to power. It is not complacent like the previous government which seemed to take for granted that it could not be replaced. We must not let ourselves be fooled by electoral tactics, but we must recognize that the present administration is making a genuine effort to acknowledge its obligations towards citizens of all classes and towards every part of the country.
>
> The parties in opposition will perhaps claim that the government has stolen their platform. That is normal. The important thing is that the taxpayer be satisfied.

That, Mr. Speaker, is the opinion of a newspaperman who can definitely not be called a Conservative. His article shows, I think, that he views things objectively and sees facts in their true light.

To hon. members opposite who have tried to make the people of Canada believe that the country was headed for disaster under the Conservative government, I would recommend the following subject for meditation.

In 1956, the gross national product amounted to $30.6 billion, whereas in 1961, it reached $37.4 billion. During that period, exports went up from $4.8 to $5.7 billion. Companies' profits totalled $3.55 billion in 1961, as compared with $2.91 billion in 1956. Consumer spending which was $18.8 billion in 1956 went up to $24.6 billion in 1961.

That seems at variance with the contentions of hon. members opposite that Canada is going bankrupt under the Conservatives. It will be recalled that during the 1957-58 election campaign, the Conservative party pledged itself to increase old age pensions and reduce taxes. Now, our friends opposite claim that, under the Conservatives, workers are paying more taxes than under the Liberals. I would ask you, then, Mr. Speaker, to refer to table VIII of the income tax deductions. Let us take, for instance, the unmarried worker who earned $60 a week under the Liberal regime. He paid $8.15 in personal income tax. Under a Conservative regime, he pays but $6.05.

The married worker with two children paid, under a Liberal regime, $2.93; under a Conservative regime, he pays only $2.75 in personal income tax. Those are the deductions.

Our friends opposite boast quite a lot about the prosperity we had under the previous regime, claiming that everybody had jobs and nobody suffered from unemployment. If you will but refer to figures published by the unemployment insurance commission, you will find that, from 1942 to 1956, benefits paid out amounted to the fabulous sum of $1,340,480,905.23.

An hon. Member: Give the figures for each year.

Mr. Ricard: I have them, but it would take too long. My hon. friends opposite say nothing about the fact that under the Liberal administration the most tremendous black market Canada had ever seen was set up. It is under the Liberal administration that we could not buy meat, sugar, tires and gasoline when we had a control system that our friends opposite would like to bring back on us at this time.

You know that on the black market list, there were names, most of the time, names of the organizers of the hon. members who sit on the other side of the house.

That is the regime that our Liberal friends would like to see in power again in the country, because through their controls they would have a chance to see their friends make money for themselves again like they did while they were in power.

This afternoon, we heard a speech by the hon. member for Richelieu-Vercheres (Mr. Cardin)—a most shocking speech. Never, in this house, have hon. members listened to a speech as demagogic and revolting as the one made by the member for Richelieu-Vercheres this afternoon.

He had brought us to think that he was ashamed to speak his own language in this house, but for this once, the hon. member for Richelieu-Vercheres used his mother tongue to hurl the vilest insults at the Prime Minister (Mr. Diefenbaker) of the country.

If you read the debates published in *Hansard,* Mr. Speaker, you will notice that never or almost never does the hon. member for Richelieu-Vercheres (Mr. Cardin) speak French in this chamber. Last year in one of his speeches, which covered about four pages, the only French there was consisted of one single sentence taking about three and a half lines.

During the three years we have been here, these gentlemen opposite have day in and day out uttered all kinds of nonsense, accusing us for all sorts of reasons, of having diminished Canada's prestige.

Mr. Speaker, these gentlemen have lacked sincerity, frankness, and respect for others for such a long time that they have acquired a way of thinking that makes them accept all sorts of things, that makes them believe that anything they say is right, and that they may abuse everybody.

The hon. member for Levis (Mr. Bourget) said in his speech which appears on page 1059 of *Hansard*:

> ...I would not like... to deal with questions of prejudice. On the government side, and especially the members from Quebec have been trying for some time to have us believe that the Liberal members are stirring up racial prejudice.

Mr. Speaker, I will read something that proves beyond question that those who stirred up racial prejudice, not only in the house but especially throughout the province of Quebec, are our friends opposite and their organizers, with the blessing of the gentlemen sitting in front of us.

I refer here to an article published in the town of St. Hyacinthe in a Liberal newspaper called *Le Clairon Maskoutain* on June 6, 1957.

The hon. member for Laurier (Mr. Chevrier) will recall that at that time he came to the assistance of his former comrade who, however, bit the dust. The hon. member for Laurier is not responsible for the defeat of his friend, but I believe that he helped me, however, and I invite him to come again because following each of his visits in my riding, I win the votes of 1,000 or 1,500 Liberal supporters.

As I said a moment ago, Mr. Speaker, that Liberal party organ wrote that we had been accused of stirring up racial prejudice. But listen to what this gentleman had to say, on page 4 of his newspaper of June, 6, 1957:

> For a French Canadian, the issue does not seem very complicated. On the one hand, we have Mr. Louis St. Laurent, leader of the Liberal party, who has inspired the domestic and external policies of Canada, and who was able to give a true meaning to Canadian unity. On the other hand, there is Mr. John Diefenbaker, leader of the Progressive Conservative party, who has given many proofs of resentment against the French Canadian minority in this country.

Who else but you, gentlemen of the Liberal opposition, have raised the racial issue among our people, because you thought this might work to your advantage.

Then, we find this:

> But, that is not the main point. It illustrates, at the most, the distorted thinking of a politician who wants to govern our country by sowing discord, resentment and embarrassment on the eve of his accession to the office of leader of the Progressive Conservative party.

That is the kind of speeches you were making. You travelled round this country with your plotting friends, you roamed about the province of Quebec stating that John Diefenbaker intended to take the crucifix out of the schools and that he would forbid members of religious orders to wear the habit of their order in the schools.

Gentlemen of the opposition, you were the ones to blame for that odious campaign of racial prejudice witnessed in the province of Quebec. You were responsible, because you

felt—as you do now on the verge of political demise—that you were sinking and drowning, and you were ready to grasp at anything.

Mr. Pigeon: They are going to disappear a few weeks from now.

Mr. Ricard: Again on June 6, in a program which the hon. member for Laurier (Mr. Chevrier) is sure to recognize he said:

Voters of St. Hyacinthe-Bagot, we do not want Diefenbaker and his anti-French Canadian policy.

Who was launching a campaign of disparagement in the province of Quebec, if not yourselves. And today, you are trying to whine; you are just a whining lot.

Those people who today, want to give our country two flags—

An hon. Member: Three.

Another hon. Member: Four, five.

Mr. Pickersgill: Six.

Mr. Ricard: They did not even dare to rise when they had the opportunity to do so. Why did you not give Canada a flag when you were able to do so, because now you will have no such possibility for 20 years. What good is it to you to make any promise?

In 1956, the hon. member for Essex East (Mr. Martin) was saying that it was impossible to increase pensions to more than $46 a month. And today, with all the others behind him, he claims that he is going to give $70 a month, after having described the claims of the members of the new party as undertakings absolutely unfeasible and unrealistic.

An hon. Member: Six dollars, six flags.

Mr. Ricard: They are trying to put all the responsibility for unemployment on the Conservative party.

An hon. Member: It is true.

Mr. Ricard: I have here an advertisement published in 1960 during the provincial election campaign. It reads:

The Liberal solution—

—like all the other Liberal solutions which have never been able to solve anything—

The Liberal solution: unemployment shall be considered as a family problem and a provincial responsibility.

Ask your friends in Quebec to assume their Liberal responsibilities. You have not missed one opportunity to make remarks about the hon. Maurice Duplessis. You have always accused him of being a dictator, a man with no value whatsoever.

[Mr. Ricard.]

Listen to what the leader of the Quebec Liberal party had to say. This is from *Le Nouveau Journal* of February 16 last.

Mr. Jean Lesage appealed to Mr. Duplessis and to the duty of the ministers as representatives of the people.

Mr. Duplessis was a man of great experience; he was the greatest premier since confederation, and it is he who introduced this principle in our provincial legislation, said the head of the government.

Therefore, be consistent; my friends, be consistent.

Mr. Deschatelets: Would the hon. member permit me a question?

Mr. Ricard: I also want to deal with my friend, the hon. member for Laurier, who has not been with us very often lately. Since he is here this evening, I should like to remind him of the statements he made at a convention in Vaudreuil-Soulanges, as reported in this newspaper:

Mr. Chevrier admitted that the government had granted an additional sum of $40 million to the western farmers who suffered badly from the drought.

And the following is in quotation marks:

"But what did they do for the eastern farmers? asked Mr. Chevrier; nothing. Absolutely nothing."

An hon. Member: It is true.

Mr. Ricard: Mr. Speaker, the hon. member for Laurier repeated again the same thing in even more explicit terms when he was in Cap de la Madeleine last week where he took the government to task, according to *Le Nouvelliste* of February 19, 1962:

He accused the Diefenbaker government of having reduced the farmer revenue by dropping the price support on foodstuffs, particularly on butter and eggs.

An hon. Member: It is true.

Among other things, he criticized the fact that $40 million had been voted for the western farmers on account of their crop failure, while no step had been taken to help the eastern farmers.

What is the hon. member for Laurier doing—

Mr. Chevrier: On a point of order, Mr. Speaker.

Mr. Pigeon: No, no, there is no point of order there.

Mr. Chevrier: I have here the notes which I used at the Vaudreuil meeting as well as at the Champlain meeting, and I should like, in answer to what the hon. member has just said—

(Translation):

Mr. Pigeon: There is no point of order.

(Text):

The Acting Speaker (Mr. Chown): I am sorry to interrupt the hon. member for Laurier but I feel that the matter with regard to which he is making a point of order is one of argument or debate which can be put right, as far as the record is concerned, by the hon. member at an opportune time.

Mr. Chevrier: I am rising also, Mr. Speaker, on a question of privilege because I have been quoted by the hon. member as having stated certain things which have not been stated. I now have before me exactly what I said and I wish to put it on record. I think I have that right as a matter of privilege.

Some hon. Members: Oh, oh.

(Translation):

Mr. Ricard: Do not insult the press.

Mr. Chevrier: Now, Mr. Speaker, this is exactly what I said, and I quote:

(Text):

Some hon. Members: Order.

The Acting Speaker (Mr. Chown): Order. If the interpretation by the hon. member for Laurier is that he was misquoted by the hon. member for St. Hyacinthe-Bagot I think he should be permitted to proceed on a question of privilege, because it does cast a cloud on the veracity of the hon. member for Laurier with regard to a speech which he apparently is able to quote verbatim to the house in order to correct the misinterpretation. I only say this because I am satisfied, and I can be corrected if I am wrong, that the text of the address made by the hon. member for Laurier is not in the hands of the hon. member for St. Hyacinthe-Bagot, and to that extent I think the hon. member for Laurier should be given the opportunity—

Some hon. Members: No.

The Acting Speaker (Mr. Chown): —and I presume he can do so very briefly, to correct the record.

Mr. Ricard: On the point of order, Mr. Speaker—

(Translation):

Mr. Chevrier: Mr. Speaker—

(Text):

The Acting Speaker (Mr. Chown): Order. I will hear the hon. member for St. Hyacinthe-Bagot on the point of order.

Mr. Ricard: I was quoting a newspaper report. I did not say that he said that, but I have no doubt that he did say it because it took him about two weeks to come here and deny what he said previously.

(Translation):

Mr. Chevrier: Thank you, Mr. Speaker, for your decision. And now I wish to put on record what I said on both occasions:

> What should we think of a government which obtains a $40 million vote apparently for the western farmers—and they certainly need it on account of their crop failure—which does not pass any legislation to help the eastern farmers and particularly the egg and butter producers?

(Text):

Mr. Campbell (Stormont): On a point of order, Mr. Speaker, the hon. member for St. Hyacinthe-Bagot said nothing about that speech at all. He was merely referring to a newspaper report and the question of privilege of the hon. member for Laurier is completely irrelevant to what the hon. member for St. Hyacinthe-Bagot was speaking about. He was speaking about a newspaper report.

The Acting Speaker (Mr. Chown): The hon. member for St. Hyacinthe-Bagot.

(Translation):

Mr. Ricard: Mr. Speaker, since the hon. member for Laurier wants to know what the Conservative government has done for the eastern farmers, I feel obliged to refresh his memory and tell him that he was sleeping in his place, because he voted for the legislation we proposed in order to assist the eastern farmers. We have adopted the Agricultural Stabilization Act under which the eastern farmers were granted, during the first two years it was in effect, approximately $75 million.

During the year 1959-60, federal grants totalling $10,487,965 were paid for the transportation of grain from the west to the east, whereas under the former Liberal government, during the year 1956-57, these gentlemen had granted only $7,300,000 for the whole of Canada.

During the year 1959-60 the farmers in the eastern constituencies benefited from grants totalling $22,443,000 for the transportation of grain from the west to the east.

During the years 1959, 1960 and 1961, the grants on milk sold to the creameries brought to our farmers the sum of $816,609.

That is what the government has done, Mr. Speaker, for eastern farmers, and I am sorry to note that the hon. member for Laurier should be so utterly ignorant of those figures.

Mr. Pigeon: He is all mixed up.

Mr. Ricard: Furthermore, the sugar beet producers of the constituency I have the honour to represent in the house received, in 1958, 1959 and 1960, subsidies amounting to

$213,156.77. Supposing the 1961 crop should be subsidized on the same basis as that of 1960, it would mean that the farmers of the constituency of St. Hyacinthe-Bagot would put in their pockets $336,410.77.

Those two subsidies on milk and sugar beets will have given the farmers of the constituency of St. Hyacinthe-Bagot, in four years only, the sum of $1,153,019.97.

That is what the John Diefenbaker government has done, hon. member for Laurier. That is what you have failed to do, yourself. That is why, at the time of the next election, what you are now dreading will become a great defeat. If you come back here, barely 15 strong, that will be about all the vestiges of the Liberal party. It is high time you got your handkerchiefs ready, because you will certainly cry over the things you failed to do when you had the opportunity during 22 years of power.

Through you, Mr. Speaker, once again I warmly invite the hon. member for Laurier to come to my constituency, because I wish to increase my majority at the next election.

Mr. Deschatelets: Mr. Speaker, would the hon. member permit a question?

Mr. Ricard: Certainly.

Mr. Deschatelets: When the present Prime Minister was elected leader of the Conservative party, was the hon. member for St. Hyacinthe-Bagot among those who left the hall in protest?

Mr. Tremblay: Oh, what a bright boy.

Mr. Ricard: That was a trick by your friends in the C.B.C. who were working at throwing discredit—as they have done repeatedly—and had selected a given moment to point their cameras to empty chairs. That is what happened. That is what the Liberal party has always done. It has continued its attempts to throw discredit where there was none.

Mr. Pigeon: Mr. Speaker, I should like to ask the hon. member for St. Hyacinthe-Bagot a question.

Is he aware that while he was speaking, the hon. member for Bonavista-Twillingate (Mr. Pickersgill) remarked that he was suggesting six flags for Canada?

Mr. Ricard: I would not be a bit surprised.

Mr. Marcel Boivin (Shefford): Mr. Speaker, I should like at the beginning of my remarks to offer you my respect and my congratulations on the way you have conducted the affairs of the House of Commons. Before going into my mother tongue I should also like to add in English that, as is customary, if a vote is called we will vote for the motion out of respect for the representative of the Queen but this will imply no approval of the government.

(Translation):

Mr. Speaker, I would like at the start of my remarks, to render tribute to you in my own language, to congratulate you on the way you are directing the debates in this house.

Without delaying any further, I shall also congratulate the hon. member for Pontiac-Temiscamingue (Mr. Martineau), for having been appointed Deputy Speaker.

It is also in order for me to join my colleagues in proffering congratulations to the mover (Mr. Bourdages) and seconder (Mr. Browne, Vancouver-Kingsway) of the address in reply to the speech from the throne.

I also, on behalf of the people I have the honour to represent, tender my best wishes to the hon. member for Quebec South (Mr. Flynn), on his appointment to the cabinet.

Mr. Speaker, if the rumour is correct the Conservative administration seems to get the credit for a very lengthy fourth session and a very short fifth one during the twenty fourth parliament, which, on the whole, will not have brought much to the Canadian people.

We heard, and then we read in the speech from the throne, that we would get some new legislation to stimulate our economy and help national development.

Mr. Speaker, this reminds me that, hardly three years ago, we heard similar remarks from a certain party leader, and I do think it strange that all sorts of new bills are being introduced during this last session.

Indeed, I remember an article published in the Toronto *Globe and Mail* of April 26, 1957, under the title "Promises full employment". I quote:

(Text):

Mr. Diefenbaker promised that full employment with the brightest possible standard of living would be one of the principal objectives of his government.

(Translation):

Promise made by the head of the Conservative party in the 1957 election. Promise, promise, there will always be those to believe you.

I remember also that during the 1958 election campaign, after a statement made by the present Prime Minister, the following appeared in the Montreal *Star* of February 19, 1958:

(Text):

In the live telecast Mr. Diefenbaker said he would take any practical step to ease unemployment in addition to the million dollars for public

works. Unemployment reached a post-war record of 520,000 in mid-January. He said that as long as he was Prime Minister of Canada everything that could be done would be done to relieve unemployment.

(Translation):

Needless to say, the Prime Minister has seriously failed to keep his numerous pledges which I could not all list here tonight. He spent his time making promises but unfortunately he has done nothing for the people of Canada. We merely have to spend a few hours in our respective ridings to realize that the people are wondering when the next election and their hour of liberation will come.

I remember the circular letter issued in 1953 by Hon. George Drew, the predecessor of the present Prime Minister. It reads as follows: Canada will vote Progressive Conservative because the people want tax reductions, through savings in the administration.

Mr. Drew's words were taken up by the present Prime Minister during the same campaign, that is on July 22, 1953. In fact, *La Revue de Granby* stated the following:

Canadian farmers are going through another painful experience. The government in Ottawa seems unable to solve, for the benefit of Canadian farmers, a large scale problem which is responsible for the loss of several million dollars in the annual income of the farmers. (Published by the Progressive Conservative party).

Speaking of the leaders of the Conservative party, I should like to refer to the 1945 election, my first election campaign as a candidate. I found in *La Presse* of May 15, 1945, an article entitled:

The policy of Mr. Bracken, at St. John, New Brunswick.

I quote:

The hon. Mr. Bracken said that the farmers would benefit from the policy of his party which would consist in setting the price of farm products before the crop season. He also promised free grain transportation between the lakes and the eastern Canada.

Strangely enough, Mr. Speaker, it seems that the Conservative party has changed its policy or repudiated its leaders since it came into power, for according to that same article, the hon. Mr. Bracken was supposed to publish that same evening, in Ottawa, a manifesto of the policy with which his party was trying to get elected.

I had secured that manifesto and kept it very carefully, and rightly so, Mr. Speaker. The manifesto, which I now have before me, is entitled:

(Text):

John Bracken says.

(Translation):

I invite all members, and especially the newcomers, to read this document. They will find good guiding rules in it.

Since I have been referring to agriculture, I draw their attention to page 5, where are to be found the words spoken by the Conservative leader of that day, on the evening of his election to the leadership of the Conservative party in Winnipeg, on December 11, 1952. And I quote:

(Text):

The right of farmers and other primary producers to a fair share of the nation's income.

Nearly one third of Canada's population is engaged directly or indirectly in agriculture, yet during the last decade farm income fell to such a low average as to become of very great concern in our Canadian economy. It is the responsibility of the nation to see that this great inequity shall not be perpetuated. I may say quite frankly that if it had not been for that plank in your platform which provides for a square deal to agriculture, I would not be here.

(Translation):

Mr. Bracken certainly had qualities since this government appointed him to a position of responsibility.

Mr. Tremblay: "Appointer" is not French.

Mr. Boivin: During the election campaigns of 1957 and 1958, the present Prime Minister and the members of his party changed their tactics. They chose to make promises right and left to get elected. In spite of all those promises, I think it would still be time for them to read over the instructions contained in one of their leaders' manifesto and which seem to have been forgotten.

If they chose him as their leader, it must be because he knew something about farmers. As proof of that, I should like to say that in chapter 4, page 39, of the same manifesto, there is an article entitled: "Equality for agriculture".

(Text):

Equality for Agriculture.

(Translation):

On October 26, 1943, the then leader of the Conservative party said the following in Lethbridge, Alberta—

Mr. Tremblay: Why not go back to Adam and Eve.

(Text):

Mr. Boivin:

Equality for Agriculture—The objectives of the Progressive Conservative party for Canadian agriculture are three in number: (1) equality for farmers in the Canadian economy; (2) the maximum contribution of agriculture to the welfare of the Canadian people; (3) the conservation, as well as development, of our greatest heritage, the storehouse of wealth in the upper foot of the nation's soil.

In this discussion I shall confine myself to the first of these objectives: Equality for Agriculture.

(Translation):

Mr. Speaker, our present Prime Minister certainly does not agree with what one of his predecessors said because you know his slogan: Parity not Charity.

Spoken words pass but written words remain, which goes to prove their lack of sincerity. In short, Conservatives who trade places trade faces. Despite all his promises and his interesting manifesto of 1945, the farmers of Canada again expressed their confidence in the competence of a Liberal administration.

Mr. Speaker, we went again to the country in 1949. The farmers knew that we had steered the ship of the state more efficiently than any other party could have done during a transition period from war to peace. The farmers expressed again their confidence in a party which had always understood them, that is the Liberal party.

I remember that a by-election was called in 1952 following the death of one of my colleagues, the late Mr. Henri Gosselin, whose remains lie in peace in the cemetery of his birthplace, in Lawrenceville, in my constituency. He had represented a constituency adjacent to mine, the Brome-Missisquoi riding. I was among the Liberal group which took part in that by-election; the Conservative party was then campaigning under the leadership of a new Conservative leader, Hon. George Drew. Once again, a circular letter was found during that campaign which had been distributed at the last moment under the title:

To our Liberal friends.

And under the heading:

But a vote for Henri Demers will give you the opportunity of stating on behalf of the whole province;

And I quote section 5:

That you want the government to help Quebec farmers as it has western farmers—Gardiner gave them $65 million last year.

Mr. Speaker, the Liberal party is not against grants to western farmers, but we want our fair share.

Since that election, I see again several members of the Conservative party still sitting on the government benches, who had supported the defeated Conservative candidate, Mr. Demers, and who are now in a position to fulfil that promise, now that they are in power.

Why do we not suggest two ministers of agriculture, one for western Canada and one for eastern Canada? Eastern Canada would include Ontario, Quebec, the eastern provinces, and Newfoundland.

[Mr. Boivin.]

What is being done at present for our farmers? Nothing. And the farmers of Brome and Missisquoi, in 1952, like those of all Canada in 1953, having benefited from a good government, again put their faith in a regime of prosperity, that is to say in the Liberal regime. They knew that our party was the only one to recognize that agriculture is the most important industry in Canada.

We, on this side of the house, know that farmers have fully contributed to production demand. We have said so several times and we repeat it again today. It is essential that farmers all over Canada be in a firm economic position and that they enjoy greater stability and security.

We have two ministers of national defence. Why not two ministers of agriculture? We have been brought to realize that defence matters are complicated; but in the field of agriculture, eastern problems although completely different from those of the west, are no less of extreme importance for this country's economy.

I said a moment ago that during the 1957 campaign we heard the present Prime Minister, like previous leaders of the Conservative party, declare himself the protector of the farmers. I should like to quote what he said in St. Patrice de Beaurivage, on May 30, 1957; his words were reported by the newspaper *L'Action Catholique* of May 31 of the same year:

We admit that prosperity for the agricultural class is a condition to the general prosperity of the country. The reform we suggested would involve reasonable prices through price support and important markets for your products. We promise the farmers that their lot will improve, he declared, and that is what they have been requesting for so long: a Conservative government will give the farmers a just share of the national prosperity through price support.

If we judge by the comments of the farming community, after four years of Conservative administration, we had a depression rather than prosperity. I would invite the Prime Minister and the Minister of Agriculture (Mr. Hamilton) to meet with our farmers who will be only too glad to talk about those famous reasonable prices for their products.

Not to say "lie" I will say "promise, promise, there will always be those to believe you".

The promise of May 30, 1957, would be appropriate today. Indeed with all those promises, our farmers put their confidence in the Conservative party but their lot was entirely different from what they had expected. Instead of the fair share of prosperity, it was in fact a share of depression they got. I know that our farmers, particularly those in Quebec,

will remember their motto which is *Je me souviens.*

Mr. Speaker, I note on page 568 of the French *Hansard* for January 29, 1960, that the hon. Minister of Agriculture replied to my colleague from Drummond-Arthabaska on the disbursements or losses suffered by the farm products stabilization board. I could see for myself that it did cost the Canadian taxpayers $1,094,364.31 for the year 1957-58 and $6,996,943 for the year 1958-59 to dispose of their powdered skim milk. And now, those people want legislation to solve their problems. Why not listen to them and let them have what they are asking for?

It is too bad that the government so suddenly removed the support price on that commodity, because several small manufacturers have been in a disastrous situation. In short, they did not have the cash to change over their processing plants. Appropriate legislation could not only help the manufacturer, but also provide assistance to the farmer.

I should like to say, Mr. Speaker, that the party of which I am a member has always been liberal both with a capital L and a small l, and liberal for both the workers and the farmers. My party wanted to enable the farmers to get, from their products, an income proportionate to production costs, thus providing them with a fair share of the national income.

I do not know what the government's future policy will be on the support price of butter. I should like to point out, however, that the price of butter is, in a way, the gauge for that of other agricultural products. Moreover, it is of vital importance to the farmers of my area.

We wanted to establish an agricultural development bank. We wanted to improve storage facilities on the farms. In a word, we wanted, as always, to help the farmers. All this we had to put off, but we will be at it in a few months. The farmers now realize that the Liberal party is the only one which can meet their needs, and I am sure that the promises made by the Conservatives will serve them a lesson. Thank heaven, Canada is still a democratic country. They are already saying that tomorrow or in the near future, they will again be under a Liberal administration when they will be able to forget the uncertainty and fear they suffer at present.

Mr. Deputy Speaker: Order. We can hardly hear the member who has the floor.

Mr. Boivin: Mr. Speaker, since I have very little time at my disposal and it is going by very rapidly, I would like to review some facts briefly and arrive at 1935.

At the time of the 1935 election, as soon as the houses had been dissolved, a folder published by the Conservative party began to circulate in my constituency of Shefford during the electoral campaign. I have this circular here. It was printed by La Revue de Granby, Limitée. Here is an extract from it:

> The Canadian Rubber Company was about to open its doors, thanks to the Conservative party.

The people of Granby had a sad experience at that time, and the doors remained closed.

And history repeats itself. The Conservative party of that time and of today has remained the same.

And this time, Mr. Speaker, they called for a certain Joseph Charles Van Horne, a former member for Restigouche-Madawaska, to take out of my city of Granby a certain industry known as Radio Engineering and send it to New Brunswick.

The *Tribune* of Campbellton—I doubt that it is favourable to the Liberal party—reported on May 10, 1961, that Mr. Van Horne, the popular former member, had told a meeting held at Dalhousie on the preceding Friday, that they should cast their votes for the Conservative candidate in the next by-election, in order to assure the prosperity of this new industry.

The same newspaper published on its first page on May 17 the following passage:

(Text):

> Defence production minister to head inauguration ceremonies.

(Translation):

Another article on the same page read in part as follows:

(Text):

> Minister may make statement on contract.
>
> Mr. O'Hurley heads the federal department responsible for the placing of defence contracts, such as those required by Radio Engineering Products Ltd., the firm now relocating here from Granby, Que.

(Translation):

Mr. Speaker, any contract which Radio Engineering Products, Limited, will get in New Brunswick, like those it got while in Granby, were granted directly, upon checking by the officers of the United States Army, in Washington. I know that they go through the division called "Canadian Commercial Corporation". It does not come under the minister but directly under NATO.

In the same bulletin, Mr. Speaker—as I have only a few minutes left—in another article, it was announced that the rubber workers were going to enter prosperous times.

There is no better time for these gentlemen to prescribe quotas on imports as they asked for them when they were in the opposition.

Again in the same memorandum, still in 1935, more work for the textile workers was announced. Here is their chance today, when they are in office, to support their colleague, the member from Sherbrooke (Mr. Allard) who is back from a trip and begs for quotas in order to assist that industry.

The same circular letter was also addressed to the workers in the stocking industry. The Nordic company closed its plant in Roxton Falls, Mr. Speaker, and that in Bedford has been virtually closed for two years.

Also in the same circular letter, we could find an article entitled:

Workers in elastic fabric vote for Bennett.

And today, all the machines in the braiding division of that industry have been stopped by imports; and to conclude, Mr. Speaker, in the same article, they were addressing the citizens in the following manner, just as the Prime Minister did last Friday:

People of Granby, who are going to vote for the first time in the present election, think well and vote in your own interests.

That is why in 1935, the people of Granby, of the province of Quebec and of Canada from coast to coast, voted in their own interests in supporting Mackenzie King, as they will do tomorrow in voting for Hon. "Mike" Pearson and his party, for the greatest welfare of all of Canada.

(Text):

Mr. Campbell (Stormont): May I ask the hon. member a question?

Mr. Habel: On a point of order, I do not think the hon. member for Stormont can be recognized because he is not speaking from the seat in which he usually sits.

Mr. Deputy Speaker: I would point out that the hon. member for Shefford (Mr. Boivin) has now resumed his seat and that I have recognized the hon. member for Kootenay East (Mr. McFarlane).

Mr. Hellyer: That is the story of the life of the hon. member.

An hon. Member: Not so bad as yours.

Mr. Deputy Speaker: Before the hon. member for Kootenay East begins, may I ask the co-operation of all our members in order that he might be heard. I would ask those who are interrupting from their seats to kindly desist.

Mr. M. L. McFarlane (Kootenay East): First, I should begin by congratulating Your Honour on your appointment and saying how happy we are to see you discharging your functions as Deputy Speaker. In addition, congratulations are due to the new Minister of Mines and Technical Surveys on his appointment. I am sure that with our present officers we shall have a successful year. I wish, also to extend congratulations to the mover and seconder of the address on a job well done.

Canada at this time expects to continue her remarkable growth. This government and our Prime Minister have set a good example for other countries by resisting the temptation to intervene artificially to attack the problem of Canada's trade imbalance and the dollar premium while responding selectively to the needs of special areas such as those which produce textiles. All in all, it should hearten us in Canada to know that this country's outlook for the future is that of a growing economy playing a significant and responsible role in the world of trade. I am sure that all members of the house are glad to be here in, and contribute to the solution of the many difficulties which confront our country today. The purchasing power of our dollar is steady but I am positive we will weather the storm and Canada will again emerge as one of the leading nations of the world with our Prime Minister at the helm.

Of prime importance to all of us in East Kootenay, for which constituency I am speaking tonight, is the announcement that in co-operation with the United States progress is made toward the development of the Columbia river. In connection with this power project we should also include the development of the Kootenay river. The headwaters of these two mighty rivers are in my constituency. At one time a canal joined them together but only one boat went through this canal some 70 years ago. Since that time numerous studies have been made of the power potential of these two rivers. In recent years the international joint commission has finalized several plans for the development of the Columbia with a dam at Mica Creek near the northern tip of the big bend in the Columbia; also by the construction of a dam on the Kootenay at Libby mountain in the United States. This dam will back the water up into Canada for a little over 40 miles and cause many acres of farmland to be flooded. Residents in the area affected have been living in a state of uncertainty for the past 12 years, not knowing which way to turn—not knowing whether to make much needed improvement to their holdings or to make preparations to move to another location. Now it is up to our government to take action. It will mean the end of many years of waiting for those in the area, one which will eventually be under water. The construction of this dam

will mean more power available for industry in my district, and it is my sincere wish that we will see the finalizing of this project in the near future.

Consideration should also be given to the completion of the trans-Canada highway. The northern route is now nearing completion and it is up to the government of the provinces and the federal government to complete a southern trans-Canada highway which would serve all of the southern portion of British Columbia where the greatest number of the residents of the province now work and live. Its completion will assure an expansion of the economy. This road across this section of the province—I am still referring to the southern trans-Canada highway—will also be of great value to the present trans-Canada highway when completed by the connection road links running north and south through the province.

Up to this time we have made terriffic expenditures on the present route, which is well deserved and needed by the province of British Columbia. We also need the southern trans-Canada highway as a means to bring the tourist dollar into the thickly populated section of the province. The impact of the tourist dollar in Canada cannot be over-emphasized. Statistics show only part of the picture. The benefit to Canada and especially to our great Canadian Rockies in British Columbia is declining from lack of foresight, in not making our main highways attractive and safe for the travelling public. Leadership in encouraging the extension of the tourist season in British Columbia is essential. In my constituency of East Kootenay we have many attractions, both winter and summer, for tourists. We have good accommodation for tourists the year round.

During the past years, due to a lack of foresight on the part of the previous administration action was not taken in developing the highways that are needed in Canada today.

Going back to the period between 1930 and 1935 when we last had a Conservative administration federally, roads from the United States into Canada were classed as access roads to develop our national parks. There are portions of three great national parks in my area.

I wish to stress the need for the construction of a road from Montana through the Flathead country into the city of Fernie. We have pressed for this road both federally and provincially for many years. This road will open up not only a recreation facility but also the timber volumes which will come out of this area. It will serve to assist in fire prevention and lead to greater efforts in the conservation of the watershed. There is a potential in this area for gas and oil developments and the development of mineral deposits will assist the exploring companies in eastern British Columbia.

I wish also to bring to the attention of the Minister of National Defence (Mr. Harkness) the need for an armoury in Kimberley where we have an active unit. Premises are being rented to carry on lectures and they are dependant on accommodation from various sources. Rental charges are high and it is not conducive to producing a good militia unit. Training suffers and administration is a problem. In our committee work we have been advised that the army would assume command in the event of a nuclear attack. Therefore, Mr. Speaker, we must have efficient and well equipped militia units and the only way this can be achieved is by supporting militia units in armouries located in active areas. The need is great in Kimberley and I am distressed when I hear that armouries are being built in areas which do not want them and we are not receiving the consideration we deserve. Thirty million dollars is budgeted this year and we are asking for a fraction of 1 per cent of this budget to construct a building suitable for our needs in Kimberley. Negotiations are now in progress with a very active committee in Kimberley who are willing to build this armoury and rent the premises to the government on a long term basis. I would like to ask the minister for his support of this project at an early date.

Consideration should be given to the question of improving airports in East Kootenay. This is of prime importance not only for the present domestic service but also in case of emergency. Present airports in the area are in need of improvement so that we can handle larger planes than those now in use. Due to physical reasons there are limitations, but I believe that improvements should be made at an early date and that this should be a federal responsibility. Millions are being spent in the larger centres and I would request the Minister of Transport to take this matter under advisement. The problem is not going to be an easy one to solve but I feel sure that the money spent would contribute to the expansion of the air services in my district.

At this time I wish to bring to the attention of the government the historical site at Fort Steele, British Columbia. The old town of Fort Steele which is about to be rehabilitated as a provincial historic site is located ten miles northeast of Cranbrook. It is set

above a sweeping valley at the junction of Wild Horse creek and Kootenay river.

Gold was discovered on Wild Horse creek in 1864 and by midsummer a thousand miners, traders, and labourers had found their way to the new goldfield where a town sprang up. To link this new community with the coast, governor Douglas gave orders to complete the building of the Dewdney trail and by September 1865 pack trains were making the trip across British territory from Hope on the Fraser river to the Kootenay diggings.

The gold excitement was short-lived. The East Kootenay country slumbered on until it reawakened with the construction of the Canadian Pacific Railway in the mid 1880's. The coming of settlers created a new situation. Fort Steele's claim to fame is that it was the first and only fort constructed and manned by the northwest mounted police in British Columbia. It saw no shooting war but acted as a deterrent to disgruntled Indians at a time that bristled with threats of violence.

The fort was built in 1887 and manned by a detachment of the northwest mounted police under the command of Colonel Samuel Benfield Steele; hence its name. Its purpose was to intimidate insurgent Indians who felt they were being deprived of their rightful heritage of land.

This matter has been the subject of correspondence between the provincial and federal governments for some time. It was understood by the provincial government and the Cranbrook historical society that the property was to be turned over to British Columbia free of any charge. I have now been advised that the Royal Canadian Mounted Police have reported surplus a property located at Fort Steele to be acquired by the government of the province of British Columbia and converted into a park and historic site. A stone cairn and memorial bronze plaque erected on the site in 1921 and restored in 1957 recall the historic significance of the location in relation to the early days of the west and the provincial government intends to restore the site and maintain it.

The original property was obtained by the R.C.M.P. from the government of British Columbia. It included a residence for the commandant and one for the caretaker.

However, in 1955 it was deemed advisable to acquire additional land and a number of parcels were then expropriated from private owners at a cost of $3,100 to the crown in the right of Canada.

Crown Assets Disposal Corporation has offered to dispose of the property to the province for a consideration of $3,100 being the reimbursement of the cost of the recently acquired lands, which may or may not form part of the original historic site.

The government of British Columbia wishes to acquire the entire site without charge or consideration in view of its undertaking to maintain it as an historic park and make some outlays for the restoration thereof.

I suggest that this land be turned over to the province of British Columbia for an historic site without charge and free of encumbrances. In view of the small amount involved it appears to me we could well afford to donate this land as an historic site. Development of this historic village will have great meaning to East Kootenay. Efforts are being made locally to give every assistance to the provincial officials and the historical society. Because the amount involved is small, I believe we should turn this over to the province free of charge immediately.

There are just one or two other items I should like to bring to your attention, Mr. Speaker. For a number of years the district of East Kootenay has been almost the forgotten land provincially, federally and in many other ways. There are a few conditions which I think should be brought to the attention of the government. I should like to start at the north end of the district and direct attention to the question of flooding which we run into almost every year at the present time. This valley is practically surrounded by the bend in the Columbia river at the north and by some flooding of the Kootenay river in the south. The flooding at Golden is periodic from the fact that the Kicking Horse river which runs into the Columbia brings down a great deal of waste, shale and rocks of many kinds. This causes floods in part of the valley near Golden and creates a problem for a great number of residents in that area. So far we have been unable to interest either the provincial government or the federal government—and this has been going on for a number of years—in giving us some relief in that area.

Going south in the valley we find the village of Athalmer also has a flooding condition through the fact that tributaries of creeks which become swollen in the spring bring down a great deal of refuse. In one place the water is actually running uphill into the Columbia river. A similar situation is also to be found at the village of Creston. We have a problem there also where the water coming down from the various rivers is bringing down refuse and creating a difficulty.

Mr. Deputy Speaker: Order. It being 9.45 o'clock p.m. it is my duty, pursuant to section 5 of standing order 38 as provisionally

amended, to interrupt these proceedings and put forthwith the question now before the house.

Motion (Mr. Bourdages) agreed to.

Hon. Gordon Churchill (Minister of Veterans Affairs) 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.

BUSINESS OF THE HOUSE

Mr. Churchill: I would now move that the house adjourn, if it is agreeable to hon. members.

Mr. Deputy Speaker: Is it agreed that I shall call it ten o'clock?

Some hon. Members: Agreed.

Mr. Chevrier: May I ask the house leader what the business will be for tomorrow and next week as well?

Mr. Churchill: For tomorrow we will start with item No. 1 under government orders on today's order paper which has to do with the proposed railway line commencing at Whitecourt, Alberta. This bill has come back from the other place with an amendment which is acceptable. After that business is finished we will take the further supplementary estimates omitting from the group the estimates dealing with national defence, trade and commerce and perhaps one or two other items depending on whether or not the house is agreeable.

Mr. Chevrier: National defence or defence production?

Mr. Churchill: National defence and perhaps also defence production. It depends on the house. However, the Minister of National Defence and the Minister of Trade and Commerce will not be available for tomorrow.

An hon. Member: What about the associate minister?

Mr. Churchill: On Monday an alert opposition should be prepared for a supply motion which I will announce tomorrow.

At 9.50 p.m. the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, February 23, 1962

The house met at 11 a.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

23rd February, 1962.

Sir,

I have the honour to inform you that the Honourable Robert Taschereau, judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate chamber today the 23rd February, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Esmond Butler,
Secretary to the Governor General.

EXTERNAL AFFAIRS

NATO—TABLING OF DECLARATION OF PARIS

Mr. Speaker: By leave of the house may I table for the information of hon. members copies in English and French of a document known as the declaration of Paris, which is the report of the delegates to the Atlantic convention of NATO nations which met in Paris from January 8 to January 20, 1962.

TRADE

JAPAN—REPORTED RESENTMENT OVER EXPORT RESTRICTIONS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Acting Minister of Trade and Commerce whether he has any comment to make on a report which appeared in the press this morning to the effect that the Japanese authorities are becoming embittered by the efforts of the federal government to keep a tight lid on exports from their country to Canada, despite a continuing sharp increase in Canadian sales to Japan.

Hon. Gordon Churchill (Acting Minister of Trade and Commerce): I have not seen the report in question. I doubt very much if it is expressed in accurate terms because, as the Minister of Finance has explained on so many occasions, the arrangements with Japan are on co-operative basis. However, I will draw this question to the attention of the Minister of Trade and Commerce.

CUBA—MEETING OF AMBASSADORS RESPECTING U.S. EMBARGO

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Yesterday the hon. member for Richelieu-Vercheres (Mr. Cardin), asked me if I would inform the house whether the Canadian ambassador to Cuba and other ambassadors of the NATO countries were convoked by the Cuban authorities in Havana concerning the United States embargo on Cuba.

The Canadian ambassador was asked to call on the foreign minister of Cuba earlier this week to discuss trade relations between Canada and Cuba. My understanding is that ambassadors of other NATO countries also engaged in similar discussions with the Cuban authorities. The representations made by the Cuban government have been noted but, as is known to most hon. members, comment is not made on the substance of discussions forming part of normal diplomatic exchanges with another government.

EUROPEAN COMMON MARKET—CANADIAN PARTICIPATION IN NEGOTIATIONS

On the orders of the day:

Mr. Arnold Peters (Timiskaming): I should like to ask a question of the Minister of Trade and Commerce. In view of a report in today's *Globe and Mail* that the common market representatives appeared not to favour granting Britain's request to increase the traditional period allowed for the adaptation of Britain's agriculture to the trade alliance common policy, and in view of the obvious implications for Canada's large agricultural exports, would the minister state whether he will now ask for permission for a Canadian observer to sit in on the Brussels negotiations when Canadian problems are discussed?

Hon. Gordon Churchill (Acting Minister of Trade and Commerce): Mr. Speaker, there are Canadian observers over in Europe at the present time dealing with that subject and related ones.

Inquiries of the Ministry

JAPAN—NEGOTIATIONS RESPECTING QUOTA ON PLYWOOD

On the orders of the day:

Hon. George C. Nowlan (Acting Minister of Finance): Mr. Speaker, yesterday the hon. member for Laurier asked me, as Acting Minister of Finance, a question with respect to discussions which might be going on between representatives of the Japanese government and the Canadian government concerning imports of plywood into Canada. As the house will know, the Japanese government has imposed restrictive quotas on exports of plywood to Canada for several years. At the present time consultations are going on between representatives of the two governments with respect to the quota that will be imposed or acted upon during the present year.

POST OFFICE DEPARTMENT

DELIVERY OF LIBERAL FEDERATION MAIL TO N.D.P. HEADQUARTERS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Postmaster General. In view of a report from the federal office of the New Democratic party that it is continually receiving mail addressed to the national Liberal federation, would the Postmaster General ensure that his officials are made aware that the national Liberal federation enjoys a separate existence and address, and that there is not the slightest chance of it being received into communion with the New Democratic party?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, we probably have within the confines of the department some people who are aware of the political facts of life in this country, and who feel there is so little difference between the two groups that it does not matter where their mail goes. However, I appreciate the desire of some people in this house to preserve the existing fiction. We certainly should deliver mail in the way in which it is addressed, and will be glad to see that this is done.

BIRTHDAY GREETINGS TO MINISTER—REQUEST FOR REPORT ON DISCUSSIONS WITH U.S.

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I wish to address a question to the Postmaster General, but before doing so I wish to say that today is not the day of Mr. Day, the United States postmaster general. Today is our own Postmaster General's day, his birthday. X number of years ago the Postmaster General was born. Unfortunately I have no picture of him as a baby. I suppose at that time he was not in a position to look after his publicity. However, he has certainly arranged to organize it since that time. I am sure to meet with general approval in wishing the Postmaster General the happiest birthday ever.

I have another wish to convey to him. The work of the present Postmaster General is very burdensome, involving as it does extensive travelling, scooter driving, pen nib changing, and so forth. For his own good I wish him a long, healthy and happy retirement away from politics after the next election.

My question is this. Has the Postmaster General any report to make about the discussions he held with the United States postmaster general?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I am grateful to the hon. member for his expression of good wishes, which I appreciate very much indeed. I presume my very existence proves that there is something that sometimes comes from playing post office.

The postmaster general of the United States, Mr. J. Edward Day, and I had a most successful meeting earlier this week. There was an exchange of ideas, and I believe some constructive suggestions emerged. Several of the projects now under way in Canada which we were able to show him seemed to create interest, and the possibility may be explored of their being adapted for use in the United States. We also obtained from our friends in the United States some helpful suggestions which may have application here. I do not think it is necessary to go beyond that at this time.

CANADIAN PACIFIC RAILWAY

ROSSLAND, B.C.—REPORTED DECISION TO REMOVE STATION AGENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, yesterday as reported at page 1129 of *Hansard* the hon. member for Kootenay West asked the following question:

> In view of the recent decision of the board of transport commissioners to remove the agent from the station at Rossland, a city of over 4,000 population, and in view of the strong protests by the city council, the chamber of commerce and the population of that city, would an appeal to the governor in council against this decision receive consideration?

The governor in council is always prepared to consider any reasonable appeal against

an order or decision of the board of transport commissioners. However, in considering appeals to the governor in council from orders of the board there has been a long standing practice not to disturb such orders unless it is clearly evident that the board has acted upon some wrong principle or has otherwise erred. Where the matters at issue are questions of fact, such as in the Rossland case, and are questions that the board is qualified to determine and which it has determined after holding hearings, it has been customary not to interfere with the findings of the board which has been constituted a court of record for the determination of such questions of fact.

In the Rossland case a district inspector of the board was sent to Rossland to investigate. A public meeting was held there on November 2, 1961, and interested parties were heard. It was shown that the Canadian Pacific Railway had established a merchandising service depot at Tadanac, about six miles from Rossland, in June, 1961, with pick-up and delivery trucking services to Rossland and that, in consequence, practically all traffic is now being handled by truck with delivery in most cases direct to the consignees. Carload traffic outward from Rossland was nil in the last reported year, and incoming carload traffic averaged about 12 cars monthly in that period.

The board considered that in view of the reduced traffic since the establishment of the merchandising services, the burden to the company of maintaining the agency outweighed the modest public loss and inconvenience resulting from closing the agency. The board therefore ordered the closing of the agency.

CIVIL DEFENCE

ARNPRIOR—DISCONTINUANCE OF RESCUE COURSES

On the orders of the day:

Hon. J. W. Monteith (Minister of National Health and Welfare): In my reply to the hon. member for Trinity yesterday, as found at page 1131 of *Hansard,* I am reported as having said:

—while there is no specific date set, Arnprior probably will be closing at some time in the future.

What I intended to say was:

—Arnprior probably will be discontinuing these particular courses at some time in the future.

Upon inquiry I find that September 1 is the anticipated date.

CROP INSURANCE

INQUIRY AS TO CONSULTATIONS RESPECTING REINSURANCE OF LOSSES

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Prime Minister. As an encouragement to the provinces to make greater use of the Crop Insurance Act, can the Prime Minister say whether consultations have been held between officials of the federal Department of Agriculture and the provincial departments of agriculture to discuss the question of reinsurance of losses under the Crop Insurance Act?

Right Hon. J. G. Diefenbaker (Prime Minister): As the hon. member realizes, Mr. Speaker, a question like that could not be answered without notice. There have been no consultations with me. However, I will look into the purport of the question.

Mr. Argue: I just wish to say to the Prime Minister that I sent the question to his office about 20 minutes before 11 o'clock.

Mr. Diefenbaker: It probably got lost.

(Translation):

AIRPORTS

DORVAL—EXCLUSIVE CONTRACT FOR TRANSPORTATION SERVICES

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I should like to put a question to the Minister of Transport.

Did the minister have discussions recently with representatives of the Montreal taxi-cab associations which are trying to get a partial concession at Dorval airport instead of the service given exclusively by Murray Hill Taxi Limited at present? Has the minister any comments to make following those discussions?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, in the last year I had many discussions with representatives of several taxi companies of Montreal and Dorval which wanted to obtain a permit for the conveyance of passengers from Dorval airport to the city of Montreal. Those various requests have been taken into consideration; I have no other comment to make in this respect.

Mr. Deschatelets: Does the minister not feel that this exclusive charter granted to Murray Hill Limousine Service Limited amounts to undue patronage on the part of the government?

Mr. Balcer: This exclusive concession was granted initially to Murray Hill Limousine Service Limited by our predecessor. If he thinks this is undue patronage, the hon. member for Maisonneuve-Rosemont will only have to blame my predecessor, the hon. member for Laurier.

(Text):

PARLIAMENT BUILDINGS

CENTRE BLOCK—TRAPPING OF MEMBERS IN ELEVATOR

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, I should like to direct a question to the Minister of Public Works but in his absence I will direct it to his parliamentary assistant. If the minister is here I will direct it to him. Is the minister aware that 14 passengers, including two members of parliament, were trapped in elevator No. 3 last evening for 25 minutes, and will precautions be taken to see that this does not happen again?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I can assure the hon. member this had nothing to do with the vote.

Hon. Paul Hellyer (Trinity): Mr. Speaker, while the Minister of Public Works is being so genial, perhaps he might see if he can correct the time shown by the clocks in the hall just as one comes in the front door.

TELEVISION

HALIFAX—ALLEGED INFRACTION OF RULES

On the orders of the day:

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the other day the hon. member for Bonavista-Twillingate asked me a question with respect to a program of station CJCH-TV, and whether it involved a breach of the regulations of the board of broadcast governors. The short answer to that question is no, but I think in view of the circumstances a word of explanation is perhaps advisable.

CJCH-TV put on a program some time in November called "Youth Wants to Know" in which 25 students from four Nova Scotia universities interviewed the premier of Nova Scotia on questions of public interest. Later on the Progressive Conservative association of Nova Scotia asked CJCH if it could put on such a program under the auspices of the party. The manager of CJCH telephoned the board of broadcast governors and asked if this could be done without attributing political sponsorship thereto, and in view of the fact that the 25 students were selected by the universities and not by any political party the first answer given was that it would not be necessary for it to be attributed to political auspices.

The program was put on and of course the premier, as usual, did so well that it was felt desirable to keep repeating the program. Since this will become at least for the next three or four months a matter of regular programming, it has been decided after consultation between the board and CJCH that in future all broadcasts should be given the political designation of being under the auspices of the Progressive Conservative association of Nova Scotia.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, perhaps I might be permitted to ask the minister a supplementary question arising out of the answer he has given. Can the minister say whether the original program was a public service program or a paid program?

Mr. Nowlan: I take it that the hon. member is referring to the first program in November. I understand that was a public service program put on as a public service by the station.

FISHERIES

NEWFOUNDLAND—REQUEST FOR REPORT ON STORM DAMAGE

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): I should like to direct a question to the Minister of Fisheries, Mr. Speaker, and I apologize for not giving him notice. He may wish to take this question as notice and answer later. Has the minister's department received any report of the damage to fishermen's property and equipment as the result of the storm which was very severe around the Burin peninsula two days ago? If there are no reports, would the minister initiate some inquiry to determine the extent of the damage?

Hon. J. A. MacLean (Minister of Fisheries): I am quite sure no report has been received, at least none has reached my desk as yet. I will look into the question.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask a supplementary question. When the minister does receive this report, if the damage is of such a nature that it appears beyond the capacity of the local authorities to handle, in view of the federal government's jurisdiction over fisheries, would the government give consideration to making an addition to the aid already provided?

Mr. MacLean (Queens): I will look into the question, Mr. Speaker.

BUSINESS OF THE HOUSE

SINCLAIR REPORT—INTRODUCTION OF LEGISLATION RESPECTING LICENCE LIMITATIONS

On the orders of the day:

Mr. Frank Howard (Skeena): Earlier this session, Mr. Speaker, I asked the Minister of Fisheries about the possibility of introducing

legislation based upon the report of Dr. Sinclair relating to licence limitations. As I recall, the minister answered at that time to the effect it would depend on the length of the session. I wonder if I could ask the minister now if he has a better appreciation of the length of the session, and whether we can expect such legislation.

Hon. J. A. MacLean (Minister of Fisheries): The whole problem is still under consideration. I should like to point out that I believe any change could be made by regulation and would not require legislation. However, I am not absolutely certain, and it might depend on what the changes were.

CHANGE IN ORDER OF BUSINESS FOR TODAY

On the orders of the day:

Hon. Gordon Churchill (Minister of Veterans Affairs): Before the orders of the day are called, Mr. Speaker, may I draw the attention of the house to an addition. We have called first for consideration an amendment suggested by the Senate to Bill No. C-63. I should like to follow that with second reading of Bill No. C-67—and this course is suggested as the result of consultation and agreement of the parties opposite—without further debate. This bill would then go to the committee on railways, canals and telegraph lines. If further debate on the bill is required, that will be possible when the bill comes back to the house for the committee stage.

Then our next item of business would be supplementary estimates, and in order to accommodate various people the order in which they will be called is as follows: agriculture, defence production, finance, forestry, labour, mines and technical surveys, national research, northern affairs, citizenship and immigration, public works, etc. In the absence of one or two of our ministers on official business, I will endeavour to supply the house with the information that is wanted on specific items that are called in the supplementaries. If on the other hand they require more information than is available to me or my colleagues, we would have to defer some of these items until the ministers have returned.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, if I may say a word in appreciation of the statement just made by the house leader, we have sought in consultation to arrive at a mutual accommodation because of some difficulties on both sides of the house. I appreciate very much what the house leader is doing in this matter, and I would say that as far as we are concerned, if the government wish to have any item deferred to meet their convenience I am sure there will be no difficulty on this side of the house. It may be that in the case of one of two of the items we may make a similar request, and I would hope it would meet with the same type of response.

AGRICULTURE

BUTTER—DISPOSAL OF SURPLUS

On the orders of the day:

Mr. John R. Matheson (Leeds): May I repeat a question I addressed to the Prime Minister on January 19. Will the Prime Minister advise the house whether a request has been received from farm representatives for a consumer butter subsidy? If so, would the Prime Minister indicate whether any action is intended by the government to meet the problem of this record butter surplus?

Right Hon. J. G. Diefenbaker (Prime Minister): I mentioned at the time, as I recall it, that the matter was under consideration and that is the position of affairs today. On the return of the Minister of Agriculture it will receive attention.

CANADIAN NATIONAL RAILWAYS

AUTHORIZATION FOR CONSTRUCTION OF LINE FROM WHITECOURT, ALBERTA

Hon. Leon Balcer (Minister of Transport) moved the second reading of and concurrence in an amendment made by the Senate to Bill No. C-63, respecting the construction of a line of railway in the province of Alberta by Canadian National Railway Company from Whitecourt, Alberta, in a westerly direction for a distance of approximately 23.2 miles to the property of Pan American Petroleum Corporation.

Motion agreed to, amendment read the second time and concurred in.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF BRANCH LINE BETWEEN MATANE AND STE. ANNE DES MONTS, QUE.

Hon. Leon Balcer (Minister of Transport) moved the second reading of Bill No. C-67, to authorize the construction and operation on behalf of Her Majesty of a line of railway in the province of Quebec between Matane and Ste. Anne des Monts.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I just wish to say one word in connection with this bill. In the absence of my hon. friend from Laurier I feel I should say this. We feel that before there is further debate on this bill it would

be desirable to have the information that could be elicited in the committee. Therefore we are in complete accord with the position taken by the minister.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I wish to make one request. We are agreeable to having this bill go to the committee. I would only ask that it not come before the committee next Tuesday morning, because other business will keep two members of our party away from the house that morning.

Mr. Balcer: Mr. Speaker, we are quite agreeable to that, but I was wondering whether my hon. friend would agree to Tuesday afternoon.

Mr. Speaker: Order. I must inform the house that if the minister speaks now he will close the debate.

Some hon. Members: Oh, oh.

Mr. Balcer: I should like to repeat that we are agreeable to not sitting on Tuesday morning, but we were planning on sitting Tuesday afternoon.

Mr. Fisher: Mr. Speaker, I would—

Some hon. Members: Order.

Mr. Speaker: I believe the hon. member is asking the minister a question.

Mr. Fisher: I would ask the minister whether he is aware that another transportation problem is going to take the hon. member for Port Arthur to Montreal, and whether he would consider this in fixing a particular day.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals, and telegraph lines.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

Production and marketing branch—

615. Contributions to Manitoba, Saskatchewan and Alberta in accordance with terms and conditions prescribed by the governor in council of one half of the amounts paid by the governments of those provinces to farmers in respect of harvesting and baling of cereal crops for fodder to a maximum of $2.50 per ton, $190,000.

Mr. MacLean (Queens): Mr. Chairman, my colleague the Minister of Agriculture would like me to explain on his behalf that of course it is impossible for him to appear before the committee on this occasion because of illness. I should also like to add that as it happens it is also impossible for either of his parliamentary secretaries to be here. The hon. member for Provencher is in hospital at the moment, but I understand he has not a serious condition, and the hon. member for Brant-Haldimand is absent because of the death of a near relative. However, I will endeavour to give the committee any information it desires on the items under the Department of Agriculture.

I should like to give a word of explanation with regard to vote No. 615, which we are considering at the present time. This vote covers the $190,000 required to reimburse the provinces of Alberta, Saskatchewan and Manitoba for one half of the amounts expended by them under emergency fodder bank programs instituted during the drought last summer. It will be recalled that on August 30, 1958 the Prime Minister advised the house of the government's intention to consider assisting provinces in the establishment of forage bank programs under which farmers would receive certain incentives to put up forage as a reserve against an emergency situation.

During July, 1961 an offer was made by the government to the three prairie provinces to pay half of a bonus of $5 per ton to farmers making cereal fodder available to fodder banks. The purpose was to encourage farmers to salvage as fodder, cereal crops which would not likely produce economic yields as grain. Each of the three prairie provinces established a fodder bank program on a municipality basis. Farmers consigning cereal fodder surplus to their requirements to a municipal fodder bank were eligible to receive a $5 per ton bonus.

The volume handled under the program was approximately as follows: Manitoba, 7,600 tons; Saskatchewan, 65,200 tons and Alberta, 2,000 tons. This vote will cover Canada's share of the program, which is $2.50 per ton.

(Translation):

Mr. Boulanger: Mr. Chairman, we are thankful to the minister for those explanations he gave the committee to warrant his estimates. However, we should like to have some more details. To begin with, I might say that his estimates to assist the western farmers who suffered a loss of millions of dollars during the 1961 season are fully justified.

According to the report issued by the Department of Agriculture, Saskatchewan farmers were particularly affected as their lost crops were valued at $200 million while the loss totalled $10 million in Alberta and $50 million in Manitoba.

I note that for the year 1959, according to the public accounts of March 31, 1961, the government had already paid out to Alberta, Saskatchewan and Manitoba, in accordance with terms and conditions prescribed by the

governor in council, one half of the amounts paid by the provinces to the farmers in respect of the 1959 crops to a maximum of $300 per farm. Subsidies for administrative charges were also paid to the provinces and municipalities.

During 1961, the government paid an amount of $1,437,944.

I should like to ask the minister what amounts were paid in that respect since April 1 last year until now.

There is also another item concerning the transportation of fodder (straw and litter) and the movement of feed cattle from September 12 to April 30, 1960. The government appropriated $228,617 under that item. I should also like to ask the minister what amount has been paid until now for the fiscal year 1961-62?

(Text):

Mr. Herridge: As the minister knows, we are particularly interested in prairie agriculture; I think that is the right term. We want to make certain that these farmers are getting all the assistance which can be provided, and we want to know just how this estimate is to be spent.

In addition to his statement, which was informative, would the minister give us some further information showing just how this vote is applied? I should like to know what organization is used to make certain of the needs of farmers in one place and the payment of this subsidy to farmers in other places; whether there is co-operation among the federal and provincial departments of agriculture and the municipalities, and so on. We should like the minister to give us as complete an explanation as he can in this connection.

Mr. MacLean (Queens): With regard to this fodder program it is, in the first instance, carried out by the municipalities concerned, municipalities which in the interests of the farmers in their own areas have taken advantage of this program which is subsidized by the provinces and the federal government to a total of $5 a ton for the making of fodder out of cereal crops which did not hold much prospect of producing an economic amount of cereal grain. This is, of course, a great advantage to the farmers in the various areas because it allows them to keep their cattle rather than market them at an unseasonable time; it forestalls the possibility of a glut of cattle going on the market as a result of the drought which occurred last summer.

Mr. Argue: This has been a very worth while program. As has been pointed out, it was inaugurated to meet an emergency situation, and I should like the minister to give us a breakdown of the amounts spent under this item so that we might have an indication of the use which has been made of this provision in particular provinces.

The minister has mentioned one good reason, one pertinent reason, why this program has been of value. He has told the committee it increases fodder supplies so that livestock producers are subject to less pressure to place their products on the market at once, with the disastrous effect on cattle prices that such an action would have. But this program has been a good one for another reason. It has been an encouragement to livestock producers to go out and salvage some fodder from a crop which would probably yield little or no grain. In addition to helping to keep cattle off the market it has helped to salvage a crop which would otherwise have produced little or nothing, and which could not have been salvaged without this program.

I should like to ask a question which I admit immediately is probably out of order, though it has a direct connection with this problem. I hope the minister can relay it to his colleagues in the cabinet. A great many farmers who needed fodder have done a tremendous job in getting fodder wherever it may have been available. I think one of the amazing things about this whole drought situation is the tremendous amount of fodder that farmers and livestock producers have been able to salvage. However, some producers—and I am thinking particularly of farmers living near the border—have found that the best way to meet the shortage has been to import fodder. Fodder coming into this country is subjected to a tariff levy. I do not have the precise amount in mind; it is not a large levy, though I think it is in excess of $1 a ton; I may be mistaken. I would think, however, that in a time of emergency it is not in keeping with other aspects of government policy that this penalty should be levied against producers who bring in fodder from the United States.

I know this matter has been raised with the Minister of Agriculture. I know it has been brought to his attention by correspondence. We are all sorry that the hon. gentleman has been ill for so long, and we hope that he is back in parliament at an early date. However, I trust the acting minister will take note of my remarks and discuss this problem with him. The attitude of the government has been very helpful, and the suggestion I have made would round out what has been a worth while policy.

Mr. Peters: I was wondering whether the minister could tell us the amount of money

that a farmer receives under this program on an average, on a acreage basis, if he takes advantage of this program under which the provincial and federal governments will each pay $2.50 per ton in respect of his fodder. In northern Ontario we were very interested last year both in this scheme and in the operation the government was carrying out in connection with food banks, especially in view of the fact that in northern Ontario we had a large amount of hay which was not going to be used this year. I suggested to the Department of Agriculture that this hay could be assembled at a reasonable price and the government could provide a subsidy for shipments of hay moving between eastern and western Canada or from the northern areas of the prairie provinces to parts of the country where transportation costs are prohibitive. I do not think we should have to bring in hay and fodder from the United States.

Mr. Argue: That was not my suggestion at all.

Mr. Peters: I did not say it was anyone's suggestion. In view of our transportation facilities and the control we exercise over them it should be possible to limit the disastrous effects of drought in western Canada.

Through the exercise of various controls it was possible to prevent a widespread throwing on the market of hay and fodder. The suggestion has been made in my area that in times of drought cattle could be moved to northern Canada for government supervised pasturing and wintering on a basis similar to that applicable in community pastures. I think this would be a step in the right direction. Natural disasters occur in all segments of the agricultural industry from time to time. There are sources of hay and fodder in northern Canada, and those areas happen to be on the way to the markets to which cattle is usually sent. Much of the cattle from western Canada moves into the Toronto and Montreal markets. I advance this suggestion for consideration.

Will the minister tell us whether the sums involved in this item represent a contribution to alleviate conditions produced by drought last year, or is this a regular fodder program for western Canada? I also wish to know how the federal government arrived at this sum of money. Does the federal government contribute at the request of the provincial government? To what extent does the federal government control or participate in the distribution of the fodder once it is in the fodder bank? Is its distribution supervised, and has the government any say as to who receives the product? Probably some advantage would flow from an interprovincial exchange of the assembled product. Does the administration of the program by the federal government make this possible?

Mr. MacLean (Queens): Mr. Chairman, the administration of this program is entirely on a provincial and municipal basis. This is merely a subsidization of the provincial governments for what they have done in this program.

This brings me to a question asked by the hon. member for Assiniboia as to how much applied to which province. The figures are as follows: Manitoba, 7,600 tons amounting to $19,000; Saskatchewan, 65,200 tons amounting to $163,000; Alberta, 2,000 tons amounting to $5,000, for a total of $187,000. The item is actually for $190,000, but that is about as close as we can safely come to an estimate.

I am grateful to the hon. member for Assiniboia for his suggestion regarding import duty. Consideration was given to the importing of feed and hay duty free, but the implications in several provinces were such that it was considered best to try to overcome this problem by further assistance in the affected areas.

I was asked about the program of assistance for Alberta, Saskatchewan and Manitoba. In accordance with the terms and conditions prescribed by the Minister of Agriculture the federal government pays one half the amount paid by those provinces in respect of the transport of fodder and feed in the period of this fiscal year. That is covered by another item of $1.5 million which was passed in supplementary estimates No. 1 of the current year.

Mr. Argue: I thank the minister for his reply. I am very disappointed that the minister has not been able to say that in this time of crop failure emergency farmers living along the United States boundary are allowed to go what is often just a few miles across the border and supplement their supplies by bringing in feed from the United States duty free. It is obvious to the minister that if you live in the centre of a province you can travel 30 miles in any direction and stay within the province, but if you live within five or six miles of the United States border and there is feed available in the United States, that is the handiest source.

I think it is a bad practice for the government not to allow farmers living along the border to bring in supplies from the United States in times of emergency without paying tariff. I can tell the minister that farmers living along the border feel they should be allowed to do so, not as a long term policy but in an emergency. They appreciate the action taken by the government with respect to general trucking costs and the assistance provided through this item, and so on, but

I share with them the feeling that it is ridiculous to deny them the opportunity of bringing in supplies from the United States, the most economical source, duty free. Those who are acquainted with the situation along the border feel, as I do, that the farmers there have a legitimate claim for repayment of the duty they have already paid.

I think the government should have another look at this question. I believe the farmers have a legitimate claim to be reimbursed the amount of the duty. They did not go across to the United States to buy fodder because they wanted to go there or because they preferred to go there. They went over there only because of crop failure the previous year.

Mr. McIntosh: Why was it cut off in the first place? Because the farmers wanted it.

Mr. Argue: If my hon. friend wishes to object to what I am saying, that is fine. The farmers who live in his part of Saskatchewan will know that he has objected to what I am saying. However, I am saying that the producers who live along the United States boundary feel that this is the rankest kind of discrimination in what could be an emergency year. I think the minister should check with his colleagues and persuade them, if he can, to reimburse these farmers for the duty which has been paid and which is a great hardship and a tax that should not be levied in that emergency situation. How does it make any sense at all to say that we will put an item in the estimates in order to help them overcome a difficult situation, but that for those who live along the boundary we will maintain a tax in order to make it more difficult for them to meet this emergency situation.

Mr. MacLean (Queens): I perhaps left the wrong impression with my friend the hon. member for Assiniboia. I did not mean to say that I think anything in this world is final and irrevocable for all time. I was explaining what the situation is at the present time and the problems of adjusting duties which are, as he knows, applied to the country as a whole. There are difficulties, but this is not to say that I will not see that another look is taken at this matter in order to ascertain whether some adjustment might be possible.

Mr. Argue: If I may I should like to say one further word. Perhaps the best action would have not been to remove the tariff. I do not know about that matter; I am not an administrator. Perhaps the way to handle it is to reimburse the people who have paid the tariff if they submit a claim. But whether it is handled in one way or another, I submit that it is gross discrimination against the farmers who live along the boundary for them to be charged a duty when they are going a few miles from home in order to supplement greatly needed fodder reserves. I think it is contrary to the government's policy in other ways. I think it is contrary to the government's natural desire to prevent a glut of cattle on the market. In order to be consistent, I think the government should follow the suggestion I have made, even though some other members may not agree with what I have said.

Mr. Habel: I should like to ask the minister this question. Can he inform me whether the government of the province of Ontario made a request for assistance to the farmers of northern Ontario who, owing to very bad weather last season, had a poor crop of hay and grain? Was any request made by the government of Ontario to have assistance given jointly with the federal government?

Mr. MacLean (Queens): I believe not. I am not aware of any, in any case.

(Translation):

Mr. Boulanger: Mr. Chairman, I am glad the minister has agreed to examine the proposal which has just been made by the hon. member for Assiniboia (Mr. Argue) concerning the abolition of customs duties on animal feed imported from the United States.

Farmers in eastern Canada also have a problem with respect to the importation of certain feed grains, especially corn, oats and barley. Consequently, I would ask the minister—

The Chairman: Order. I have the impression that the hon. member is straying too far afield. I would ask him to limit his remarks to the item under consideration.

Mr. Boulanger: Mr. Chairman, we are now speaking of subsidies in respect of the crop and the baling of feed cereals, and I think that, with regard to the feeding of animals, grain is also a food. As the minister answered the hon. member for Assiniboia—

The Chairman: If I have rightly understood the hon. member, he was just about to deal with an entirely new matter. Therefore, I ask him to limit his remarks to the vote mentioned in supplementary estimates No. 3. As a matter

of fact, the subject matter of this debate should not be extended so as to become a general discussion on agricultural problems. I therefore ask the hon. member to comply with standing orders, which are very clear.

Mr. Boulanger: Mr. Chairman, I would simply ask the authorities of the Department of Agriculture to check whether or not customs tariffs on cereals might be eliminated for imports from the United States intended for western farmers. On the other hand, if this suggestion is considered, I fail to understand why we should not analyse the possibility of doing the same for the eastern farmers in this country.

We should not forget that our eastern farmers are also liable to crop damage. Indeed, last year, as the hon. member for Cochrane (Mr. Habel) just said, farmers in northern Ontario lost part of their crop, and if I remember correctly, the Ontario farmers association asked the federal government for assistance. I even think that a newspaper in northern Ontario—and I would like to be corrected if I am not right—published an item which stated that the federal government had not acceded to the request for assistance made by the northern Ontario farmers.

I reiterate my request to the effect that the Department of Agriculture examine the possibility of abolishing customs tariffs on imported cereals intended for eastern farmers.

(Text):

Mr. Peters: I am certainly not happy with the remarks that have been made here, particularly by the last two speakers. We have a surplus of hay in northern Ontario, and we are not asking for any relief. We do not want any relief. However, my farmers of northern Ontario are paying this subsidy to western Canada. I think we have the right to ask the government to keep this money in Canada, at least, and not to go along with this proposal that the stuff be allowed to come in from the United States duty free. If our people are going to pay this assistance, then I think we at least have the right to ask that this assistance be put in another form so that the hay can be transported and there may be an equalization of the supply between eastern and western Canada.

The hay in northern Ontario, when delivered in the province of Manitoba with the freight rate that is now applied, will not cost as much as the Manitoba government paid last year in order to go to the United States and bring hay into that province. It is my understanding that they paid $34 last year for a limited quantity of hay. I feel quite sure that the ridings of Cochrane and Timiskaming can supply hay to that area at a lower price than that. If we give some assistance—and there is no objection to giving this kind of assistance—then I think we should at least be fair to the rest of the Canadian farmers, and should not ask them to subsidize something for the advantage not of their own farmers but of United States farmers. If we are going to put the matter on an assistance basis, let us at least keep it in Canada and let us try to help all the farmers in the various parts of Canada wherever it seems to be advantageous or even possible to do so.

Mr. Habel: I noticed that the hon. member stated that northern Ontario had a good crop of hay. I am glad to know that in his riding such may have been the case last year. I also note that he took exception to the remarks I made. In doing so he showed that he knows little about my riding. The farmers in my riding will certainly understand that he does not give much consideration to farming in my district. The farmers of my district are in dire need of assistance, and they have been asking the Ontario government to come to their aid. We are not opposing this amount at all. We are absolutely in favour of it. I simply asked the minister whether any requests had been made by the government of Ontario, and the answer was no. That goes to show that the government of Ontario has little interest in the riding of Cochrane, and I can see that the hon. member for Timiskaming is very little interested in the riding of Cochrane.

Mr. Peters: Mr. Chairman, I am not going to speak for the riding of the hon. member. His farmers have the advantage of being a little closer to the western market than farmers in my riding, and I presume there would be an advantage from the point of view of freight rates from his area as compared with mine.

I am in no way disagreeing as to the need for assistance. We need assistance in my riding because for the last three years the farmers have not been able to sell their hay. I am only suggesting that when there is a great need in western Canada, the farmers of Cochrane might also like to be able to sell some of their hay to western Canada. I am simply opposed to the setting up of conditions providing for the importing of hay from the United States rather than using the money involved to bring about an equalization of the supply and demand in Canada for the benefit of our farmers. No matter how you look at it, even those farmers in the hon. member's riding of

Cochrane north, who are in very serious circumstances will have to pay toward this assistance, and I think they should be given the opportunity to sell the hay they produce if it is to the advantage of the Canadian economy and will not cost any more money. I object to us paying any money to assist farmers in another country while there is still a great need in our own country and a supply of hay available. I believe the matter could be worked out if consideration were given to it.

This is not something new. I have raised the matter with the Minister of Agriculture; I have telephoned him several times. The department discussed the matter and looked at the price. I think I am being fair in saying that in the early days of the drought in Manitoba some of the officials there thought there was not going to be enough hay available, and panic buying of a limited quantity of hay brought about a very high price. Because of the high price we made the suggestion that assistance be given with respect to transportation costs so that hay could be moved from northern Ontario, where I am informed by the farmers there is a surplus. It is only with this in mind that I am opposed to the lowering of the customs barriers, because obviously the money involved would come out of the Canadian treasury and our Canadian farmers would not necessarily be assisted.

Mr. Habel: I want the hon. member to know that the farmers of Cochrane riding—he referred to it as Cochrane north—would be well satisfied to take all the hay they need from the hon. member's riding if they had the assistance of the province and the federal government. As a matter of fact they need it badly.

Mr. McIntosh: Mr. Chairman, I think the last two speakers have been talking about two other problems with which this item does not deal.

Mr. Peters: We are paying for this.

Mr. McIntosh: Let me explain. The hon. member for Timiskaming said that we could bring the cattle down through northern Ontario on the way to market. The cattle for which the feed was required were breeding stock. The feeders were all shipped out of western Canada as soon as possible. With regard to the surplus of hay in northern Ontario and other parts of that province, as a result of the plan implemented by this government there was no shortage of fodder in western Canada. Under the plan implemented by the government, crops that would not yield more than three bushels per acre were cut for fodder. Consequently there was enough fodder left on the prairies for the requirements. In fact in my own constituency, which I believe was one of the hardest hit in Saskatchewan, I visited many municipalities with regard to the program implemented by the government and in not one municipality was the demand for fodder greater than the amount that had been cut for that purpose in that municipality.

The hon. member for Assiniboia talked about the importation of fodder from the United States. It was the farmer's own decision whether he went to the United States, brought in hay and paid the duty or whether he went to northern Saskatchewan and paid the extra cost of hauling. In addition, it was as a result of the farmers' request in the first place that the duty was imposed, so that hay would not come into Canada from the United States in good times. They cannot have it both ways.

Mr. Argue: I think they can in an emergency. This is a special case.

Mr. McIntosh: There was not the emergency that the hon. member says there was. Fodder was available in Saskatchewan, and they could have obtained it there.

Mr. Argue: The best source of fodder for the people in this area was the source closest to home. In certain instances the fodder closest to home was in the United States, but if they went 10 miles from home across the United States boundary they had to pay a duty which simply increased the amount of money in the Canadian exchequer, and I claim this is definitely discrimination in an emergency.

Mr. McIntosh: How many tons were involved?

Mr. Muir (Lisgar): Mr. Chairman, I did not realize that land rehabilitation and irrigation came under this item.

The Chairman: No, they come under the next item, No. 616.

Item agreed to.

Irrigation and water storage projects in the western provinces including the South Saskatchewan river project; the Prairie Farm Rehabilitation Act program; land protection, reclamation and development—

616. Construction or acquisition of buildings, works, land and equipment—further amount required, $3,200,000.

Mr. MacLean (Queens): Mr. Chairman, I should like to make a brief statement on item 616 by way of explanation to the committee. Because of the severe drought conditions that prevailed in the prairie provinces throughout 1961 there was an unprecedented demand for assistance in the development of individual

farm and community water conservation projects and to provide pasture and feed facilities. Almost twice as many small farm water projects as in any previous year, consisting of dugouts, stock watering dams and small irrigation projects, were constructed to help to meet the critical situation. In addition, more of the larger community storage projects were constructed than planned, and an emergency federal-provincial-municipal well drilling program was initiated last fall to provide water for communities. Under this program the federal and provincial governments each contribute 35 per cent of the cost of a well and the municipality 30 per cent. Some 100 applications for such wells have been approved to date.

More community pasture facilities and more feed bases had to be provided in those areas most affected by the drought to preserve farmers' basic herds and reduce unseasonable marketing. This was accomplished by constructing a large community pasture of 140,000 acres in the British block in Alberta and a smaller one in Manitoba. These projects were not anticipated for 1961-62. In addition, a feed base for several hundred head of cattle was set up at Craven, Saskatchewan, where pelleted grain screenings were fed at a nominal cost to the farmers.

As a result of the situation created by the drought it is estimated that expenditures will exceed the amount provided in the main estimates by $1 million under the small water development program and by $100,000 under the community pasture program. The balance of the additional amount of $3,200,000 required consists of $500,000 for the St. Mary's irrigation project in Alberta and $1,600,000 for the South Saskatchewan dam.

Construction of the Waterton dam on the St. Mary's project was started in 1960 and will be completed in 1962. The South Saskatchewan dam was started in 1958 and will be completed in 1965. The additional amounts mentioned for the projects for 1962, totalling $2,100,000, are required because the works in progress advanced at a faster rate than expected. This was largely due to the abnormally dry season, which made it possible for the large earth-moving contracts to be carried out without interruption. The constant dry weather also helped to speed up the work on other contracts, although not to the same degree as the earth-moving contracts.

I should like to emphasize, Mr. Chairman, that these further amounts do not represent increases in the total cost of these projects. We are merely advancing into this fiscal year money that it was originally expected would not be required until the next fiscal year. I might add that the amount for this item in the main estimates for this fiscal year was $18,322,297.

[Mr. MacLean (Queens).]

Mr. Muir (Lisgar): I should like to say a few words on this particular item and on the importance of an irrigation and water storage program, not only to the area I represent but to the whole of the fertile Red river valley and to the western provinces. The serious drought experienced by the prairie provinces last year points up the necessity for an extensive program of land and water conservation. In my own area the farmers are appreciative of the Prairie Farm Rehabilitation Act, and this tremendous program of building farm dugouts and dams is one of the most important undertaken by the federal Department of Agriculture.

Experience over the years has shown us that these water storage programs will pay large dividends in the development of our prairie economy. In my constituency the spring water running down the streams and rivers from what we call the Pembina escarpment is largely lost to that particular part of the country. The building of dams in this area is a definite must if the fullest development of our agricultural economy is to be achieved.

Further to this, I should like to express my appreciation of the fact that this is recognized not only by the government of Manitoba but by our own federal Department of Agriculture. I should also like to express my appreciation of the auspicious start that has been made on this program in our area in the building of the Stephenfield dam on the Boyne river, which will be started this spring. I sincerely believe that a continuation of the program of water storage will turn out to be one of the most important developments in prairie agriculture. We only have to listen to the figures the minister gave a few moments ago to realize how this development is being encouraged, not only by the governments of the prairie provinces but also by the federal government. I am sure all members will join me in saying that this is one of the most important developments to take place, and one which will probably be taken over by ARDA to make land and water rehabilitation a reality.

(Translation):

Mr. Boulanger: Mr. Chairman, we certainly have no objection to the adoption of those items since they will hasten construction of the dam on the Saskatchewan river and the carrying out of other irrigation projects.

In the past, we have often said that the scope of this measure should be widened so that all Canadian farmers could benefit from it. We would like it to have a bearing on the whole of Canada.

I appreciate that western farmers are to benefit from this measure; it is justified by the farmers' water supply and especially by the construction of the dam on the Saskatchewan river.

However, if we consider the possibilities resulting from the irrigation of the land along the Saskatchewan river, we find that there will be half a million more acres of farmland once the projects are completed and the irrigation system is installed.

I understand that this area will be used to produce grain crops and also, perhaps, feed crops, but more especially grain crops.

No doubt that the Saskatchewan river dam project will then be justified, because it will enable us to produce more grain to help supply the foreign markets, which should still be large enough at that time.

I should like to ask the minister to keep in mind our suggestion that the possibility of extending this measure to all provinces be examined. While our problems may not be the same as those of western Canada, they do exist. In the east, our problems relate mainly to soil drainage and stone clearing. Much of our land could be made suitable for agriculture if it were cleared of stones and well drained. The cost of such undertakings would not be too high.

I understand that, in 1962, there will probably be appropriations for ARDA, but for the time being we cannot anticipate that measure, because the minister, who has been talking about it for four years, has never voted the necessary estimates. There is nothing in the speech from the throne to indicate that the government intended to further extend the application of that measure.

I am sure that eastern farmers will be happy when these estimates are voted for western farmers, but just the same, they would be still happier if the measure were extended so as to cover the whole of Canada.

(Text):

Mr. Winch: Mr. Chairman, vote 616 of the further supplementary estimates asks for an additional amount of $3,200,000 to be divided between two aspects of the department. As I understand it, the original estimate was in the neighbourhood of $18 million, which amount we are now being asked to increase. It is my understanding that because this involves an increase of over $3 million in a general estimate, we can discuss briefly certain aspects of general policy as applied not only to what is asked for in the supplementary estimates but also in general under the item of the general estimates.

I am particularly interested in the wording of the first section of vote 616, the heading of which is "Land rehabilitation, irrigation and water storage projects". This is followed by "Irrigation and water storage projects in the western provinces..." As the committee knows, I come from the province of British Columbia, and sometimes I cannot help wondering what the government classifies as the western provinces. I am rather inclined, especially in view of the original vote and the supplementary item, to think there is a great tendency to believe that the western provinces of Canada end at the Rocky mountains, forgetting that the Rocky mountains are just a geographical, mountainous boundary between Alberta and British Columbia.

Admittedly the most westerly province is divided by four mountain ranges, but within those mountain ranges are a number of valleys. These valleys have to a great extent in the past required for their agricultural development—and they require it now—exactly what is set forth as the heading of the supplementary estimate we are now considering, namely land rehabilitation, irrigation and water storage projects.

I have had the privilege of living in British Columbia for 52 years. During that period of time I can remember that the interior of British Columbia was once tantamount to being a desert, growing nothing, but because of water storage and irrigation we now have the most beautiful and agriculturally productive area of Canada known as the Okanagan. However, there is still a great deal that can be done in the way of land rehabilitation and irrigation and water storage projects, shall I say between the city of Armstrong and the town of Osoyoos. I now wish to deal with an area which I know well but which is better known by the hon. member for Kootenay West. I refer to the Creston area, where not too many years ago it was not a matter of irrigation but of land reclamation. This area is now one of the most productive in that part of British Columbia.

The Minister of Agriculture mentioned a few minutes ago that we have a general expenditure of $18 million, and we now have a supplementary estimate of $3,200,000 in connection with land rehabilitation, irrigation and

water storage projects. In view of these estimates I think the committee will understand why I rise in my seat and ask why it is that, whether it be under the general estimates or the supplementary estimates, the government thinks that Canada ends at the Rocky mountains. I maintain that with proper planning of projects and expenditures my province could give a greater productive return than perhaps any other province. I do not object to any money that is spent in any province of Canada, but why are we so completely and totally ignored in this matter of irrigation, water storage, land reclamation and rehabilitation?

I ask this question not only because I am a member from the province of British Columbia but from my knowledge of the whole of Canada, and particularly, after 52 years, my knowledge of my home province. What is the policy regarding land rehabilitation, irrigation and water storage projects as far as the government is concerned? Why is it that we have been ignored, and is there any possibility or any hope at all of this government raising their sights and looking over the Rockies to that paradise of Canada on the Pacific coast, the province of British Columbia? Our province does not only produce forest and mineral products; it is also an agricultural producer with a potentiality that could give magnificent returns to the benefit of the economy of Canada and the greater security of our people if the program of rehabilitation, reclamation, irrigation and water storage is applied to it as it is rightly being applied to the provinces mentioned by the Acting Minister of Agriculture and those hon. members who spoke earlier.

Mr. Regnier: Mr. Chairman, I should like to express to the Department of Agriculture my satisfaction for last year building two dams on the La Salle river, namely at Starbuck and La Salle. In addition, the contract has now been awarded for the building of a third dam at Elie.

The La Salle river passes very close to the Assiniboine river, and requires that a high level of water be maintained. This can only be done by the diversion of water from the Assiniboine to the La Salle river. This could be done in many ways; it could even be done just by pumping. I understand that a floodway is being constructed, and a great deal of water could be sent through the Assiniboine river during the dry season in the summer to maintain a high level of water in that river. It would be a very easy matter to divert some of this water to the La Salle river, which is not very long. There are farmers all along its course. In some areas these farmers depend entirely on the La Salle river for their water supply in the summer and even in the winter.

Mr. Chairman, before resuming my seat I should like to again express my satisfaction for the speedy manner in which the department has dealt with this problem.

Mr. Nasserden: Mr. Chairman, I should like to make one or two suggestions arising out of the well drilling program undertaken this year by the government. This program was really appreciated by the farmers on the prairies, and particularly by those in my area. These farmers feel the program should be extended in the future and should perhaps become as widespread as the dugout construction program in the P.F.R.A. areas of western Canada. In many areas the dugout is not a suitable source of supply for water and a well is a more reliable source, especially when livestock are kept. I should like to express to the minister and to the government the appreciation of the people of Birch Hills and the surrounding area for the large storage and flood control project which was undertaken on Cromarty creek in the railway municipality of Birch Hills. I believe it will be an addition to that area, and that the people will be happy with it.

I believe the hon. member for Drummond-Arthabaska said he would be happy if P.F.R.A. were extended to the people of eastern Canada. Well, if we go back to the time when that act was first brought in and, later, to the time when its benefits were somewhat extended, we find that the Liberals forgot eastern Canada in the legislation of that day. Now, under the ARDA program, the present government has remembered that there are farmers in eastern Canada who are interested not only in conservation but in the development of projects of this kind. I do not like to say anything more in that regard. However, each time the hon. member for Drummond-Arthabaska gets up he says "We are happy to see this thing pass, but we would like some of the benefit for eastern Canada as well". I would point out that some of these provisions were made necessary in western Canada because we experienced drought there; perhaps they did not have a drought in eastern Canada.

Mr. Carter: Too much wind out there in the west. It dries everything up.

Mr. Nasserden: I see the man who wants to sell freedom with wheat is speaking now. I know the farmers of western Canada will appreciate that remark.

The Saskatchewan river dam project is, of course, an important one and this year, after we have had a drought in western Canada, everyone out there realizes just how important it is. They also realize that had it been proceeded with at a time when many

people were giving lip service to the idea it might already have proved of great value to people in areas represented by the hon. member for Assiniboia, the hon. member for Swift Current-Maple Creek, the hon. member for Rosetown-Biggar and others in Saskatchewan.

Mr. Pickersgill: I had not intended to take any part in this discussion, but I do not think I can let the remarks of the hon. member for Rosthern pass without a word of comment. The hon. member said the Liberals had ignored eastern Canada. He would not say that in the presence of the hon. member for Cumberland or the hon. member for Westmorland, because each of those members knows what was done about maritime marshland drainage, which was begun immediately after the war by the previous Liberal government. The hon. member is apparently unaware of the legislation which was put on the statute books when Mr. Winters was the minister responsible for the department of resources and development with respect to water conservation in other parts of eastern Canada.

I should like to say a word of appreciation for the work which was begun by the late James Gardiner in assisting pilot projects for the drainage of the bogs in Newfoundland. I am glad the present government are continuing this work and I hope they will see fit to extend it much more widely. We do not encounter the problem of drought very often, though we did last year. Normally our problem is that we have too much water: we would be glad to have the hon. member for Rosthern come down and cart some of it away.

Notwithstanding the fact that my hon. friend from Drummond-Arthabaska is quite right in pointing out that these programs should be extended to all parts of the country, it is wrong to say that the Liberal government neglected the east. Of course, in the days of the dust bowl when P.F.R.A. was started it was an urgent national problem in the sense that these other problems are not. We all know that one of the reasons the dust bowl has not returned is the splendid work done by P.F.R.A. in all the years since.

Mr. Argue: I want to congratulate the minister on the able way in which he is dealing with estimates with which he has not had the opportunity of close association. He is an acting Acting Minister of Agriculture. I know there is really not such a post, but he is acting minister in the absence of the acting minister. This government has become known as a government of travelling cabinet ministers. It is a government composed of cabinet ministers who are able to engage in many extracurricular activities.

An hon. Member: We heard about your travels yesterday.

Mr. Argue: At this particular stage, when an election is not too far away the practice seems to be more prevalent than it has ever been. However, I did not know that this practice was extending to parliamentary secretaries as well. Now the acting Acting Minister of Agriculture is fortified with two parliamentary secretaries to the Minister of Agriculture. But I have been looking around for them all the morning—

Mr. MacLean (Queens): I do not think the hon. member wants to be unfair. I think he missed what I said when the first vote was called. At that point I explained the absence of the two parliamentry secretaries to the minister. One is in the veterans hospital here; I think it is not too serious a matter, but it prevents his being in the house. The other is absent because of the death of a close relative.

Mr. Argue: I apologize. I am sorry for having started along that line, and I thank the minister for interrupting me and giving me this information before I was in the embarrassing position of having said something for which I would be sorry. I hope the parliamentary secretary will soon be out of the hospital and, of course, we are sympathetic toward any colleague who has suffered a bereavement in the family.

Now I come to the item under discussion. I want to say, along with the hon. member from Rosthern, that one of the features of this vote which should be given special consideration at this time is the whole question of deep water wells. The program of dams and dugouts has been well developed over many years, and the experience in this field is considerable. However, the experience with deep water wells is relatively new. This is a new field which has been pioneered. One of the many reasons why deep water wells are now much more feasible than in the past is the fact that the vast majority of farms on the prairies are now supplied with electricity, which makes these wells exceedingly practicable as a source of water supply for livestock.

As the minister has said, this has been an emergency program brought forward to provide under this item for the drilling of deep water wells in a joint program in co-operation with the provinces and the municipalities. It should be made clear that these deep water wells have not been drilled for individual farmers, but are what are called community wells. I take it they are public property, the property of the municipality, although federal and provincial government money has gone

into their construction. All farmers have access to these so-called community wells.

I understood the minister to say the cost was divided on the basis of a 35 per cent contribution on the part of each of the two major governments and a 30 per cent contribution on the part of the municipality. This is only a detail which the minister is free to check, but I understood the division of cost was on the basis of 37½ per cent, 37½ per cent and 25 per cent. One of us is right and one wrong, and probably the minister is right.

The latest information I have is that this program will end on March 31. If there has been an extension I wish to hear about it, and if not I plead with the government to extend this valuable addition to a long term water conservation program at least to the forthcoming full fiscal year, if not permanently. If there was a valid reason for drilling wells in the emergency drought during the past year, the same reason would apply to extending this excellent program in the coming fiscal year. All the federal government can do is make the offer, and I plead with the government to negotiate with the provincial governments for a continuation of the program if not on a permanent basis at least for the coming year, as a minimum extension.

I wish to advance a second proposal. Joint programs are the best. I urge the government to introduce a federal-provincial-municipal program to assist individual farmers to obtain deep water walls. Such a well represents an expensive undertaking. A dugout may be obtained for $500 or $600, but deep water wells often cost $1,000 or $2,000 or more. I wish to be fair to the minister and the government. I have discussed this question with departmental officials at both the federal and provincial levels. The federal government and the government of Saskatchewan both make the same reply to this suggestion. They say it is an excellent one in which they would like to participate, but they are afraid it would lead to their subsidizing, with the assistance of the individual farmers, a group of inexperienced fly by night drillers of deep water wells who are more interested in making a profit than in providing efficient wells. Apparently it is a problem to find competent, reliable drillers in this intricate field, and of course it is difficult for the individual farmer to assess the reliability and competence of a driller.

The federal government could perhaps arrange through the provincial governments for the licensing of drillers on the basis of their qualifications. What I am about to say comes within the purview of provincial government jurisdiction. Perhaps the provincial government could provide a few drilling outlets as pilot undertakings so experience could be gained in the field. If the provincial government obtained a few rigs and operated them in that kind of work there would be immediate control over the operation and there would be the additional advantage of experience in the field being gained.

In my judgment deep water wells are no longer a luxury. They provide an excellent and convenient source of water for livestock. They are often necessary if farmers are to enjoy the sewer and water advantages so long enjoyed by those in urban centres.

I am not being critical of the minister, as I know he will appreciate. This is an excellent program as far as it has been developed. There are technical difficulties readily admitted by those in the federal and provincial departments of agriculture. This seems all the more reason for providing leadership and taking action so that at an early date not only communities but individual farmers may have the advantage and convenience of deep water wells for the watering of livestock and family use on the farm.

Mr. Henderson: Mr. Chairman, I wish to speak on this subject, but I shall now call it one o'clock.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Henderson: I was trying very hard, Mr. Chairman, to get to my feet before lunch but I could not make it. The various members who have spoken have been talking about their homeland or where they came from and they made me think of a school poem:

> Breathes there the man, with soul so dead,
> Who never to himself hath said,
> This is my own, my native land!

Apparently they were all from their native land. I come from the constituency of Cariboo which is as large as the state of Texas. We have everything. We have oil, gold and silver. In fact, a man from this country took $3 million in gold out of Cariboo camp. We have a great deal of oil. We have thousands of men working in the oil fields. The only problem is to get a market for the oil. We have agriculture which compares favourably with the best in Canada. The Peace River area, that gem in the tiara of diamonds, is situated in my constituency. Anybody who has ever been there comes back. We have had people leave and go to California but they came back to the

Peace River country. It is the most prosperous part of Canada right today. I do not say this in any idle way. We have mixed farming which compares favourably with that in the best parts of Iowa or Indiana. The farmers have cattle yards. We had a bumper crop last year. We were not in a part of Canada which was dry and about which all the discussion has taken place. However, we are short of water. We are obliged to dig extremely deep wells. The town of Vanderhoof is in the constituency of Cariboo, and the well went dry there. I think dirt fell in it or something of that kind. However, the government came right to the rescue and dug another well. It was necessary to go to a depth of 500 feet or 600 feet. The whole town was out of water until they obtained this well. I was there and saw what they were doing. The government came right to the assistance of the town.

I think this government is to be congratulated on the way in which they have handled the water situation. Our country was dry. We had very little rain. However, we had a wonderful crop. Another rain would have made all the difference in the world. We had 40 bushels to the acre on the average through there, and a great deal of feed in the form of alfalfa that we could have shipped out. However, apparently nobody wanted the feed. A few carloads were shipped out, but we had hundreds of carloads that could have been shipped out. To give the Minister of Agriculture credit, I think he did a wonderful job in keeping the cattle from being rushed on to the market. In this way the price was kept right. Many people would have gone broke had they been obliged to throw their cattle on the market as was done back in the old days. We were raising cattle and the grass was burned out in the early days. There was no feed in the country. It was grass country. The grass got burned and we were obliged to sell our cattle. We received $12.50 a cow with a good calf thrown in. You do not make much money under those conditions. This year, however, we had plenty of crop but, as I say, we were short of water. For our water supply we depend on dugouts or scoopouts. The government had various units in there, digging these scoopouts. It is not necessary to pay spot cash for them, it is possible to pay for them on terms.

What any farmer would ever hold against this government is beyond me. I have been in that country for 50 years. We lived in there in the old days under the Liberal regime and it was absolutely the worst one that has ever been seen so far as the farmer is concerned.

An hon. Member: He was the forgotten man.

Mr. Henderson: That is true; he was the forgotten man. However, this government apparently see the farmer and have done everything they could to help him. I will tell you this, Mr. Chairman, I would not be here if it was not for the assurance that they will win again. They will win easily in that country. As I say, the Minister of Agriculture has done a wonderful job and we are getting lots of water out of the scoopouts. I have had a letter from my riding saying that we have had snow but the ground is black. We will have a snowstorm one night and chinook winds will come along and fill all the gullies with water. As I said, and I am not boasting, it is the most prosperous part of Canada and it makes my heart bleed when I see these farmers in this part of Canada. There was talk about moving people from the maritimes. We could have taken a lot of those fellows. We have an empire there, and there is not only farming but the farmers have oil wells. Everything is prosperous there.

I am not going to blow too much about my riding because I do not believe it needs any support. When the president of the Fraser Valley association was there at the convention the other day he said that his brother and he were dreaming of getting to the Peace River. They are growing strawberries or something like that, and he said that he and his brother had to get out there. That is their dream. I see my friend the lobsterman smiling, but we have plenty of cattle feed and things will be very prosperous there this year.

As I have said, I do not know why anybody would vote against such a government. I believe we have leading us the greatest statesman since confederation. I was angered a little the other day when a speaker on the other side was lambasting the Prime Minister because I do not like to see a good man knocked. I would not lambaste one of them if I thought he was any good. Yes, it made my heart bleed when I heard this member lambasting the Prime Minister. Our grandchildren in years to come will be told about this famous statesman. He is going to continue as Prime Minister. He will be returned to office because the people of western Canada—I do not know anything about Quebec—

Mr. Ricard: The same thing.

Mr. Henderson: —will not turn him down. He has done more for western Canada than

any other man. This government has done a wonderful job with regard to the water situation in the Peace River and Cariboo district. They have been digging dugouts and scoopouts. We have five big scoopouts at home on the farm and they are designed so that one will pump into another. We do not irrigate but there is irrigation in the Cariboo. It is a wonderful part of Canada. It is prosperous and doing well, and so I will not say any more.

Mr. Herridge: Mr. Chairman, I always enjoy listening to the expert on barbershops, barbecues and bulls. He always makes a very interesting address with a lot of homespun wisdom in it. However, in view of the development of the debate on this item I cannot resist saying a few words because of the philosophy of this group which is based on the conservation and development of human and natural resources. On that account this is an important item so far as this group is concerned.

Before proceeding further, I want to support the remarks of the hon. member for Vancouver East and the other members who have spoken in favour of the extension of the application of the policy contained in this vote for land rehabilitation, irrigation and water storage projects. I mention this because there is a particular need in British Columbia which is of increasing importance. Only a few days ago the minister of agriculture for British Columbia, Mr. Richter, addressed the British Columbia fruit growers association in Vernon and stressed the importance of preserving every acre of the 2 per cent of our land suitable for agriculture and settlement. In that address he said that we cannot spare a single acre in British Columbia or destroy a single acre.

I hope the Minister of Justice will keep that in mind when he is contemplating the flooding of about 50,000 acres in east and west Kootenay if the Columbia treaty goes through as now arranged.

Mr. Pugh: Will the hon. member permit a question?

Mr. Herridge: Certainly.

Mr. Pugh: Are you in favour of the development of the Columbia river?

Mr. Herridge: I am in favour of the development of the Columbia river without any unnecessary destruction of natural resources. I mention this because in British Columbia we have the climate and the soil. I am not blowing like the hon. member who preceded me or even exaggerating when I say that in our district we have numerous farmers who take $1,000 a year in produce per acre off their land year after year. I can think of one vegetable grower, a neighbour of mine, who lives about nine miles from me. He takes up to $15,000 a year gross from nine acres of beautiful black muck soil beside the lake. I think of another who takes close to $40,000 off 100 acres and I know of another who takes over $37,000 off 300 acres. I know of numerous fruit growers who take an average of $1,000 a year in peaches and cherries from their orchards which average five acres in extent.

I mention this to emphasize the value of good land in circumstances such as ours and in the Okanagan, where water can be used on a vast scale if it is properly stored in the first instance and diverted to use for Canadian agriculture. Without any partisan approach whatever, I emphasize that there is a great opportunity for the government to make this a national policy and to conserve and develop this land.

Mind you, this is a natural field for government. This is something that cannot be done unless there is government action on the federal and provincial levels. It is something that is beyond the capacity of private interests or, shall I say, beyond the normal sphere of private interests, and there is a wonderful opportunity here for a national policy based on the principles of the Prairie Farm Rehabilitation Act. In connection with my statement that I think government action is required, I wish to quote very briefly from the excellent compilation of background papers of the resources for tomorrow conference held in Montreal from October 23 to October 28, 1961. One article is entitled, "Objectives and organizational arrangements for multipurpose development and management of water resources" and it reads in part as follows:

> Water development and management in accord with the objectives and value standards of modern society will increasingly depend on governmental action. A variety of forces at work in modern society suggest that more and more emphasis will be placed on intangible values. This tendency, combined with the economic characteristics of water resources, underscores the necessity of relying primarily on governmental institutions to achieve the objectives of water development and management.

In British Columbia water development and management are very closely related to agriculture. In the constituency which I have the honour to represent there are thousands of acres of rich land that could be brought into cultivation if they were drained, for instance, if the Duncan river were lowered six feet by dredging, and there are thousands of acres that can be brought into cultivation by irrigation. There is a far greater acreage that can be brought into cultivation by irrigation in the ridings represented by the hon. members for Okanagan Boundary and Okanagan-Revelstoke.

There is a tremendous opportunity here so I urge that, particularly in connection with power potential and land rehabilitation, we do not just look at water resources from the point of view of kilowatts and power, necessary as they may be. I think the two can be developed together without any unnecessary destruction of land, which is growing more valuable every year with the increase in world population, and without any unnecessary, shall I say, giving away of water resources that will be required to irrigate this land in British Columbia and the prairie provinces.

Once again I say that in British Columbia we have the climate, we have the soil, and all we need is an extension of this type of legislation so that we could conserve that soil by irrigation, by drainage and in other ways.

Mr. Cooper: I did not intend to take part in this debate, but there were one or two things said this morning which I could not allow to go unchallenged. We are in what you would call the dry belt of Saskatchewan, where last year the dugouts went dry. This government increased up to $240 the grants to farmers for the purpose of constructing these dugouts and also for assisting municipalities in digging deep wells. These wells will be for public use. In our immediate vicinity we have to go down between 400 and 500 feet, and we get artesian wells. We have one well in our vicinity that flowed at the rate of 45 gallons a minute and it served the people for miles around.

The hon. member for Bonavista-Twillingate made one statement which I cannot allow to go unchallenged. He said that the former administration had made a great study of the Saskatchewan river dam. I was a member of a committee out west which met the hon. member when he came out west, and we had met with every minister of the former administration who came west during the last 20 years to put this project before them. We met the hon. member for Bonavista-Twillingate in Moose Jaw, and he said, "We have bogs in Newfoundland that we could drain and bring into production at a cost of $65 per acre, whereas your project, Saskatchewan river dam is costing $3,000 an acre". Well now, 500,000 acres at $3,000 an acre comes to around $1,500 million. If you allot all the costs pertaining to the dam to irrigation alone, you will find you arrive at a figure which is less than one fifteenth of that figure he gave. I cannot, therefore, allow the statement to go unchallenged that he made a study of the Saskatchewan river dam when, out of the blue sky, he could pull this figure and give it to these committee representatives who had been promoting this project for the last 15 years. I am sorry the hon. member is not in his seat so that he could reply to that statement.

(Translation):

Mr. Boulanger: I congratulate the hon. member for Cariboo (Mr. Henderson) who managed to speak for 20 minutes without dealing with the subject under discussion, that is, the estimate for $3.2 million. He only succeeded in making a good election speech and I should like to do the same.

I also congratulate the hon. member for Rosthern (Mr. Nasserden) who asked this morning why we pass such acts as the Prairie Farm Assistance Act and the Prairie Farm Rehabilitation Act. I must tell him that if we adopt those measures which were introduced by the Liberal government, it is because the latter realized at the time that western farmers were in need of assistance. I can speak about this, because in 1931 I spent over 12 months in the province of Alberta. I also had the opportunity of visiting the province of Saskatchewan which was then in the grip of a terrible drought. It was following that drought that the Liberal government implemented those acts. I am willing to give the Conservative government credit for having introduced the Prairie Farm Rehabilitation Act but it is the Liberal party which has seen it through. We voted for it because we were aware of the western farmers' situation and we felt sympathy for them.

There seems to be some feeling that we are not justified to speak of the problems found in eastern Canada. I should not want to sound prejudiced but I think our present laws do not give enough protection to eastern farmers. Members from Quebec know that. If only they had the courage to say so. That is why I congratulate the hon. member for Rosthern who one day had the courage to express his views on certain agricultural legislation.

Last year I asked the Minister of Agriculture if he was thinking of extending the coverage of the Prairie Farm Assistance Act to other parts of Canada.

Here is what I said on this matter, on April 12, 1961, as found at page 3603 of *Hansard* (page 2 of the English translation), when I put the question to the Minister of Agriculture in these words:

> Mr. Chairman, in connection with this item 36, I wish to direct a question to the Minister of Agriculture, arising out of a statement he made recently to the effect that the Prairie Farm Assistance Act would be extended to the whole of Canada. Would he like to comment on that?

To which the Minister of Agriculture replied:

> The Prairie Farm Assistance Act applies only to the prairie areas. The statement I made some months ago was that the Prairie Farm Rehabilitation Act should be applied to Canada as a whole because it is concerned with the rehabilitation of water and soil resources. I feel a similar type of act should be provided for the whole of Canada.

That was put on the official record last year. And I should like to ask the acting minister if it is the intention of the government to extend the scope of this legislation to all the provinces in Canada.

(Text):

Mr. Southam: Mr. Chairman, I feel that I would be remiss in my duty this afternoon if I did not take part in this discussion concerning agriculture, and specifically this item on land rehabilitation, irrigation and water storage. I think it is well known to my colleagues and other members of the house that I come from a part of Canada which has had the recurring problem of drought. Even in my short life span I have experienced three of these serious drought cycles.

In commencing my remarks on this particular item I should like, first of all, to congratulate our present Minister of Agriculture on the very positive action he has taken in connection with this matter. I am referring to last year's drought as far as Saskatchewan and western Canada are concerned. It points up in effect how this government has taken a realistic view of some of the problems of agriculture. I wish to congratulate our government on their national agricultural program. In fact I can assure the committee that in the eyes of the agricultural population of this country this government is fast becoming famous through our Minister of Agriculture for their national agricultural program.

This agricultural program not only deals with the over-all problem but also with regional problems, and the item we are discussing this afternoon deals with a serious recurring problem of a regional nature that we experience in the west. I come from a part of Saskatchewan that has one of the highest cattle populations per capita compared to anywhere in Canada. Not only has it a high cattle population, but the quality of the cattle raised in our area is second to none. As proof of this statement I would point out that at a recent royal winter fair in Toronto at which I was a visitor, I discovered that there were 101 head of cattle which came from the province of Saskatchewan and had been selected by the livestock associations of that province. Out of the 101 head of cattle selected for exhibition purposes, 36 head came from the great riding of Moose Mountain. I am reminded that the balance came from Swift Current-Maple Creek. I cannot assure the committee that this information with respect to Swift Current is absolutely authentic, but I do know they raise a lot of good cattle in Swift Current-Maple Creek.

The fact is that with these purebred, high quality herds water is naturally a very important factor in the economy of that part of the country. In the discussion today mention has been made of emergency fodder banks, and so on. This program is very important, but coupled with it is the emergency program of water conservation. I am thinking now of dugouts, small dams and also the emergency well drilling program that was put into effect last fall. This program was very timely and helped to maintain quite a number of basic herds in our area.

I was very glad to hear the Acting Minister of Agriculture, the Minister of Fisheries, mention that there had been at least 100 applications under this emergency well drilling program. I know that a number of them were from the riding of Moose Mountain. I might suggest in passing that like any other new regulation or emergency measure there were a few doubts about the plan, but it did work very well.

I make the following suggestion to the committee. Because of the great importance of water conservation to areas such as the one in which I live in Saskatchewan, I think that any way in which we can propagate the over-all development of P.F.R.A. should be considered on a permanent basis. The hon. member for Rosetown-Biggar mentioned the south Saskatchewan dam. We feel this is the grand-daddy of the whole project of water conservation in the prairies and western Canada, and I hope to live to see the day when we not only have that dam completed on the great south Saskatchewan river but when we will have other dams along its tributaries and other rivers in Saskatchewan, and Manitoba for that matter, which will preserve the precipitation we have in the west which presently runs away through our streams into the oceans.

In my area of Moose Mountain, under the water conservation program that we are now considering in the supplementary estimates we have experienced the co-operation of the government. I should again like to take this opportunity to thank our Minister of Agriculture, and through him the cabinet, for the attention that has been given to the water shortage problem in my riding. I am referring to the assistance we have received in connection with a dam on the Souris river at Oxbow, Saskatchewan, which was completed a year ago. Also, an appropriation of $110,000 has been granted for a new

dam at Gainsborough, which happens to be my home municipality. In addition, according to information I have just received another appropriation has been allocated for a dam at Lightning creek, Redvers, and I understand that consideration has been given to building one at Maryfield. These are very, very important to my area. This program comes under this supplementary estimate and I know the constituents of Moose Mountain greatly appreciate the co-operation I have received from this government in regard to this very serious problem of water conservation.

I referred a moment ago to the emergency well drilling program. I discovered that in the application of this emergency legislation last fall there were a few criticisms with regard to the policy. One of them was that the farmers concerned thought the expenditure of $1,000 for the development of a well seemed to be unfair when it was decided to locate the well on one particular farm because it seemed to give that individual farmer an important benefit in comparison to the neighbouring farmers. The suggestion was made that perhaps the municipality, in conjunction with the province and with the agreement of the federal government, could make some provision whereby part of the cost of the well could be recovered from the farmer upon whose land the well was placed. If this suggestion were taken up, I think this objection would be overcome.

Another suggestion was made to me and I am in agreement with it. It was that we should not consider this just as an emergency well drilling program but should make it a permanent policy of, say three wells, every year in each municipality because under the present emergency provisions the municipality is allowed to drill three wells with government assistance at the federal and provincial levels. If this program were arranged in co-operation with the municipalities and the provinces to develop a well drilling program so that the cost could be spread over the next five or 10 years, a greater number of these emergency wells could be provided.

As I said at the beginning of my remarks, we have lived through three or four serious drought cycles and we can expect to have them again in the future. Rather than have an emergency develop when we will find a shortage of water in areas where we have these very important cattle herds, if these wells were provided for now they would be there and it would eliminate any emergency which might develop in the future. This, together with our very accelerated P.F.R.A. dugout program, the small dams program and water conservation program such as we have in the south Saskatchewan project, and irrigation, would I think, in the long haul eliminate one of the greatest bugbears affecting the agricultural industry in Saskatchewan. We know we have one of the most highly productive areas in the world as far as wheat production and top quality cattle are concerned. We have these recurring droughts which cause an emergency, such as we encountered last fall.

That is all the remarks I wish to make this afternoon. I would repeat that we appreciate this program. I wish to support the supplementary estimates because these programs are very important to our part of the country which has to suffer these recurring droughts.

Mr. Pugh: Mr. Chairman, under the item for land protection, reclamation and development I wish that from some portions of my constituency I could help out the Saskatchewan farmers, particularly in the area of the hon. member who has just resumed his seat, that of Moose Mountain. We have a problem which is a little different. We have too much water; it comes off the mountain too quickly. I am referring specifically to the Similkameen river which is in my constituency. We have a similar situation on the Rock Creek river. These are both good sized rivers; in fact, I think they would make the Saskatchewan river look sick when they are in full spate. Briefly, our problem is that we have a high run-off, practically an uncontrollable run-off. We need federal and provincial help to tackle the engineering problem. I am hoping that ARDA, as its program develops, will have the answer.

Generally speaking, the agriculture policies brought in during the last five years have been excellent. We have felt their benefit in the Okanagan region the Similkameen region and over in the Grand Forks area just as, I imagine, people interested in agriculture have felt them all over Canada. It seems, however, that ARDA is in a state of flux at the present time. We know that a director has been appointed. Specifically, I should like the department to tell us at this time how far they have gone in the development of ARDA. Has the director met with the provincial ministers of agriculture, for instance? Have they developed a plan? In the case of British Columbia, have those concerned with this program actually got together or not?

To get back to the principal problem, the control of the Similkameen river presents a great many difficulties. I do not know whether the work would be undertaken by the provincial government in co-operation with the federal government and the local

authorities or whether it would be undertaken by one or other of those authorities, separately or in conjunction, but the solution of this engineering problem will not be easy. I think the work will in any case be expensive enough to warrant the federal government sharing the cost with the provincial and local authorities.

Referring specifically, once again, to ARDA, I have one more question to ask. Will this machinery be used in cases where a small area could be well served by the placing of a dam, and will it be used in conjunction with the work of provincial governments? What I am really doing is to seek information in order that, looking to the future, I may be able to advise my constituents how they can go about getting aid under the terms of this act.

Mr. Winch: I am sure all members of this committee were most happy that, after years of talking and promising, a federal government has been prepared to co-operate with a provincial government and bring into actuality the commencement of work on the south Saskatchewan dam. In the supplementary estimates which we are now considering under vote No. 616 there is detailed on page 11 an amount of $1,600,000 as the additional amount required in this fiscal year in connection with this scheme.

I wonder if the acting minister is now in a position to give the house a progress report on the south Saskatchewan project. Perhaps he could tell us not only what stage has been reached in the physical construction to date, but also something about the planning which has been done for the future. Important as agreement between the federal and provincial governments may be as far as the construction of the dam itself is concerned, undoubtedly one of the most vital factors is the planning for the utilization of the potential which will be made available in the areas of flood control and irrigation. Undoubtedly this will be an extensive phase of the new development of that area, and I have been wondering what proposals or agreements have been reached as to the method of developing the new irrigation areas and the sharing of responsibility between the federal and the provincial governments. I have been wondering also, whether provision is to be made for the giving of federal aid to the new areas during the formative years. These are matters which should not be left to the last few months. I think we would be most interested to know what information the minister can give us concerning progress made not only in connection with the dam itself but in respect to planning so as to utilize to the full the potential which this new project will create. As I indicated, we would also be interested in the distribution of the cost and the amount of help which will be provided so that the people of this area may reap the fullest benefits in the shortest possible time.

(Translation):

Mr. Ricard: Mr. Chairman, I cannot let pass unnoticed the remarks made by my friend the hon. member for Drummond-Arthabaska (Mr. Boulanger). I want to comment on them, not to start a controversy but simply to put the record straight.

A few minutes ago, the hon. member for Drummond-Arthabaska tried to insinuate that we, from the province of Quebec in particular, did not have the courage to give our opinion on the emergency measures for western farmers.

I want to say first of all, Mr. Chairman, that we are very happy to see our friends in the west benefit from legislation enacted to help them when their crops fail. I might add that when a similar situation occurs in eastern Canada, the same thing is done. As a case in point, I would ask my hon. friend from Drummond-Arthabaska to go back to the time of the hog cholera epidemic in my constituency and his last year; he will recall how quickly the federal Minister of Agriculture (Mr. Hamilton) took measures to remedy the situation.

My hon. friend from Drummond-Arthabaska surely remembers that some 400 herds of swine were affected and that it cost approximately $1,500,000 to the federal government to check the hog cholera.

I do not think we are doing either the eastern farmers or the western farmers a good turn by trying to stir up one group against the other.

I believe that we should concentrate our efforts and do our best in order that farmers may receive the same consideration, when they go through such hardships.

Since my hon. friend talked about the P.F.R.A. emergency fund, I would remind him that the western farmers had been contributing from 1939 to July 1960. They contributed about half of the amount paid back to them in grants.

Whenever a western farmer sells oats or grain of some kind, he is contributing to some extent to the emergency fund. I think we should give consideration to those factors and not raise a controversy, detrimental to both groups.

Let us join hands and we shall certainly succeed in giving satisfaction both to eastern and western farmers for neither the eastern nor the western farmers are seeking pure and

simple dole. They want their share and it is only fair that the government should wish to help them.

Please let us try to work together in the best interests of our agricultural group both in the west and in the east.

(Text):

Mr. Matheson: Mr. Chairman, under vote No. 617 the federal government is expending $3,888,693 covering contributions to Manitoba, Saskatchewan and Alberta of $190,000 through the production and marketing branch, $3,200,000 covering irrigation and water storage projects in the western provinces and $498,693 relating to the administration of the Prairie Farm Assistance Act.

Coming as I do from an area with a keen interest in agriculture I invite the committee to examine the question of agriculture in balance. Since 1956 the price of products sold by farmers has increased by 5 per cent whereas the price of products bought by farmers and used in production increased by 12 per cent. The situation is even more grave in certain sectors of the agricultural industry.

Earlier today reference was made to butter and other dairy products. An extremely important dairy product is skimmed milk powder. With respect to this product which is vitally important to eastern farmers there has occurred a sharp drop in price from 1957. In 1957 the price of dry skimmed milk, first grade, f.o.b. Montreal was between 17 and 19 cents per pound and in 1961 the price was between 6 and 10 cents per pound.

Mr. McIntosh: Mr. Chairman, I rise on a point of order. What has this to do with P.F.R.A.?

The Deputy Chairman: I was just about to rise to ask the hon. member for Leeds to assist the Chair by relating what he is saying about skimmed milk to the item under consideration which has to do with irrigation and water storage projects in the western provinces.

Mr. Matheson: May I attempt to answer that, Mr. Chairman, by placing on the record the approximate prices paid by farmers for feedstuffs from the west, bagged, per ton, delivered London and Ottawa. The figures in tabulated form are as follows:

	Dec. 15 1960	Dec. 15 1961
Oats—Western No. 1 feed ..	$61.95	$67.80
Barley—Western No. 2 feed	54.83	62.75
Bran	50.86	55.50
Shorts	52.98	57.65

On the other hand there has been a drop of approximately $63,000 in the price supports for dairy products in the year 1960-61 compared with the previous year.

The eastern farmer has every sympathy for his farming brother in western Canada but it is important that some consideration be given to equalizing the position of the eastern and western farmer. The dairy farmer is in the position of having to meet rising costs with no significant increase in his return from the sale of his products. That is something which is frequently overlooked.

Mr. Pascoe: Mr. Chairman, I wish to make a few remarks under item 616. Other speakers have mentioned the benefit to communities from the deep well drilling program. At this time I merely wish to endorse their commendation of the program.

I regret that the Minister of Agriculture is still sick as a result of his strenuous efforts on behalf of the farmer because my first remarks were intended for him personally. I wished to pass on to him words of appreciation from farmers in my constituency and other farmers as well for the assistance given last fall by the community pasture division of P.F.R.A. I refer particularly to the prompt action taken last autumn to establish an emergency feeding program. An emergency community pasture was set up in my constituency at Craven, as was mentioned in his opening statement by the acting minister. I visited this feeding ground several times last fall and talked to farmers who had cattle inside the fences on the 1,000 acres of crown owned grass and hay land on the Valeport flats. It was quite a sight to see the great herd in one pasture, many hundreds of head all together, but made up of small numbers from many farms. There were considerable quantities of water and pasture feed in the marshlands.

There was also the emergency feeding by pellets. These pellets made from grain screenings and molasses provided a balanced diet for the cattle. The pellets plus the available pasture feed produced highly satisfactory results. The pellets contained 11 to 12 per cent protein and 15 to 20 per cent fibre. This pellet feeding was provided to the cattle owners at a cost of 10 cents a day for a cow and an additional 4 cents a day for a calf. This nominal charge did not nearly cover the cost of the pellets and I imagine much of the $100,000 in this supplementary estimate covers the extra cost to the government.

As I said, I visited the pasture grounds on several occasions last fall. The farmers were very appreciative of the government's emergency program. One cattle owner said the goverment assistance was a godsend. He explained that he had been right out of feed and his cattle were eating weeds in the ditches along the roads when the emergency feeding program was announced.

I know the farmers were rather proud of the showing their cattle made, which was observable by motorists driving along the highway. There were always a number of owners helping with the pellet feeding and generally keeping an eye on the whole herd. When the nights were dark enough to offer an inducement to old time cattle rustling with modern equipment such as trucks, the owners took turns standing watch.

On one occasion when I visited there, 15 or 20 farmers were working together inoculating all the animals. Everyone seemed to be having a good time except perhaps the animals when the needles got a bit blunt.

The Deputy Chairman: I am sorry to interrupt the hon. gentleman but I cannot relate the emergency program undertaken by the federal government during the drought to the item under consideration, which has more bearing on future projects involving water use and conservation, irrigation and so on.

Mr. Pascoe: If I may say so, Mr. Chairman, this item mentions the Prairie Farm Rehabilitation Act program. This is part of the program. In any event, I am nearly finished, but I think the matter comes under this act, if I may say so.

One of the main benefits from the emergency pasture and the government's chief reason for this feeding program was that it prevented panic selling of stock when farm feed was not available. Preventing this panic selling served two purposes; it kept market prices firm and it kept farmers in the business of cattle raising by keeping at least part of their herds intact. As I said earlier, I am sorry that the Minister of Agriculture is not here so that I could pass on to him the thanks of the cattle owners. I also wish to thank him personally for acting on my representation to keep this pasture feeding program open longer than was first intended. If I may do so, I should like to draw something to the attention of my friend the hon. member for Drummond-Arthabaska. I believe he said several times that P.F.R.A. was started by a Liberal government.

Mr. Boulanger: No; I did not say that.

Mr. Pascoe: If he had listened to the hon. member for Bonavista-Twillingate, he would have heard that it was started by the Bennett government.

Mr. Boulanger: That is what I said.

Mr. Pascoe: If I may do so, I should like to refer to a part that is actually under this item of irrigation. I should just like to call to the attention of the acting minister and, through him, to the attention of the P.F.R.A. officials a proposal by a number of farmers in the Moose Jaw area to dam the river south of Moose Jaw for irrigation purposes. I know the P.F.R.A. officials are quite conversant with this proposal. It has been drawn to their attention several times. I should just like to read again a resolution passed at a meeting of farmers with the Moose Jaw agricultural society. This resolution reads as follows:

> This meeting goes on record as requesting a detailed survey of the Moose Jaw creek area with regard to the possibility for the construction of a dam or dams suitable to store water to irrigate for agricultural purposes.

I should just like to draw that resolution to the attention of the acting minister and I hope he passes it on to the P.F.R.A. officials.

(Translation):

Mr. Brassard (Lapointe): Mr. Chairman, I should like first of all to point out to my colleague the hon. member for Moose Jaw-Lake Centre (Mr. Pascoe) that the hon. member for Drummond-Arthabaska (Mr. Boulanger) never claimed credit for the Liberal party for putting into our statute books legislation on assistance to prairie farmers.

What he did say, if I can rely on my memory, was that such legislation had been adopted under the administration of the Right Hon. R. B. Bennett, but had been implemented by a Liberal administration. If the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) wants to contradict that statement, let him go ahead and do it. Talking about the hon. member for St. Hyacinthe-Bagot, I must say that I listened most carefully to his remarks this afternoon, just like I did yesterday afternoon, and I believe he is actually the Solomon's judgment of the Conservative party in this house. I am not at all surprised that the Prime Minister selected him as an assistant.

He attacked my colleague from Drummond-Arthabaska who talked about the assistance to western farmers. My colleague from Drummond-Arthabaska spent a year in the west, in 1931, when he worked on an Alberta farm. I would not be a bit surprised if the hon. member for St. Hyacinthe-Bagot had spent from five to six years in the west, from 1931 to 1937, since he seems to be talking with so much authority on the subject of western agriculture.

What I fail to understand of some Quebec members is that it is impossible to reach unanimity on any issue related to the common welfare of our province and the jurisdiction of the federal government. We have

seen many instances of members from different areas and different provinces who got together, regardless of their party affiliation, to claim not concessions but rights.

The farmers in our parts also have problems and we want to help them. We want the federal government to consider their problems and to solve them.

It is not a question of playing western farmers against eastern farmers. That vagary only exists in the mind of a Solomon like the hon. member for St. Hyacinthe-Bagot, Mr. Chairman.

Mr. Ricard: The hon. member for Lapointe (Mr. Brassard) must have his show.

Mr. Brassard (Lapointe): Mr. Chairman, I am not at all surprised by the remarks and interruptions of the hon. member for St. Hyacinthe-Bagot. It would appear that he has been brought into this world only to interrupt and talk from his seat, and that is why from time to time his interruptions sound pointless.

Mr. Ricard: That is why I have asked for the floor.

Mr. Brassard (Lapointe): Mr. Chairman, as I have the floor, I hope to be able to go on with my speech.

An hon. Member: Carry on, Gus.

Mr. Brassard (Lapointe): Mr. Chairman, the representatives of western farmers are not to be blamed for rising in defence of their fellow citizens, because it is their duty to do so, and I hope they will keep on doing so. But what surprises me, for instance, is the fact that some Quebec Conservatives are rising up in defence of western farmers and are overlooking the problems of those in the east, from Quebec, Ontario, the maritimes and Newfoundland.

We are Canadians just as the others and we want to have what we are entitled to get; we are not asking for any favour.

When I make those remarks, I am thinking of Ontario, the maritimes and Newfoundland as much as of Quebec. That is what I should like my Quebec Conservative friends to understand.

Mr. Ricard: Mr. Chairman, I am not surprised that the hon. member for Lapointe should have taken the floor to raise a storm in a tea cup.

Our hon. friends had a very bad day yesterday and they have to do something today to try and make the headlines.

What I am saying today—

Mr. Brassard (Lapointe): You are the one who wants to make the headlines.

Mr. Boulanger: He has been brought up in the Union Nationale school.

Mr. Ricard: Mr. Chairman, you have heard the hon. member who has just said that I want to make the headlines. I hope his interruption, as well as that of the hon. member for Drummond-Arthabaska, is being noted and will appear in *Hansard*, because some of those statements are missing from time to time these days.

Mr. Brassard (Lapointe): You usually say "the record".

Mr. Ricard: Take down all the interruptions.

Mr. Chairman, I only tried a moment ago to get all hon. members to co-operate and when the hon. member for Lapointe rises and twists my remarks, well, he is only using the choice method of the Liberal party—

Mr. Brassard (Lapointe): It means that we must not speak about the problems of eastern farmers.

Mr. Ricard: —that choice method—

Mr. Brassard (Lapointe): It means that we must not speak about the problems of eastern farmers.

Mr. Ricard: —which consists in trying to play the east against the west.

Mr. Chairman, you hear these interruptions.

To play the east against the west, that is what the hon. members opposite have tried to do in their 22 years of administration, and for the past four years they have tried more than ever because such is their method: divide and conquer.

Mr. Chairman, I am not surprised that the hon. member for Lapointe—in the guise of gentility, and usually assuming a look of innocence like a newborn babe—should act like that, because when he wants to sting or give a blow—

Mr. Tremblay: That is when he is in the house—

Mr. Brassard (Lapointe): You have been away for four years.

Mr. Ricard: —he does what he did a moment ago: he twists and distorts whatever we say.

Mr. Brassard (Lapointe): That is your brilliant interpretation.

Mr. Tremblay: He does so when he is in the house.

Mr. Brassard (Lapointe): You have been away for four years now.

(Text):

Mr. Peters: Mr. Chairman, I am surprised at two things. One of them is the lack of vocal representation on behalf of the farmers of eastern Canada by their members. The second is the overabundance of apple polishing by members from western Canada. The charge is made today, and I think it is a justifiable one, that we as members of parliament should look at the estimates we are discussing in terms of what the government is doing and where it is going.

I am not particularly interested in the hon. member for Moose Jaw-Lake Centre congratulating the minister on having done something for him personally. We are concerned with a program. I was given to understand that a great many of the abuses under P.F.A.A. had been done away with by the government, but that kind of apple polishing speech only indicates to me that the abuses have not been abolished and are coming back with a vengeance. I suggest that this is not what we want.

We should look at agriculture as a whole and I think we should be very surprised that a long range program instituted in the days of Bennett should apply only to three named provinces. Is this problem not a basic problem that affects all of Canada? Have some of the Conservative members not stood up and said that the long range program of their party and of the government is ARDA? Is ARDA not an extension of assistance to all the provinces and, if so, why has it taken so long to do something about it? In the pamphlet issued by the minister, which the hon. member for Timmins reminds me was issued to the public before the legislation was passed, there is this statement:

> As a means of meeting the small farm problem the government has under consideration ways and means of improving the level of living of farmers on small farms by means of better land use, encouraging the formation of economic farm units.

The reference is to a statement by the Prime Minister as found in *Hansard* of August 30, 1958. On December 15, 1960, we passed legislation providing for the extension of these benefits to other areas of Canada. Can the farmers not legitimately ask the government why the benefits are not being extended to all Canadians? Why is western Canada alone benefiting? Is it not time that the Minister of Agriculture told the Canadian people why the legislation is not being extended to all parts of Canada? When ARDA was enacted the minister agreed, as I think every member of the house did, that ARDA was not going to be legislation for specific provinces but would apply to all agricultural provinces.

Let us not fool the Canadian people into thinking that this money is to solve the drought problem in western Canada last year. It is true that there is a little extra money and it is quite true that there have been a few more wells drilled but this legislation has been on the statute books of Canada for many years, in good years and in bad. Is it not true that western farmers are as well able to look after their ups and downs as well as other farmers are? If it is, then the pamphlet that was issued to sell ARDA is not correct. It is pointed out in the pamphlet that in the province of Saskatchewan, for instance, only 4 per cent of the farmers had annual production under $1,200 in value.

Mr. Jones: On a point of order, Mr. Chairman, we are not on the ARDA program. There is no such item in these estimates.

Mr. Peters: Mr. Chairman, this is not the ARDA program. I am reading from the pamphlet that was issued before the ARDA program was instituted. It illustrates what is needed in western Canada, and I can well understand the parliamentary secretary to the Minister of Veterans Affairs raising a point of order because here is an indication that in Saskatchewan only 4 per cent of its population had an annual income under $1,200 a year. In the province of Quebec the figure is 28 per cent.

We have absolutely no objection to and have always supported programs for western Canada. We are simply asking now that some of the western members be good enough to help some of us in the east to do for the rest of Canada what we are willing to do for them. We have provided the machinery that has made it possible, along with good government in Saskatchewan, for the people of that province to have better incomes than in any other agricultural province in Canada. The province of Quebec is one of the worst off in this regard and their problems are connected mainly with the dairy industry. All I am saying is that we should give the same kind of assistance to them and it can be provided under exactly the same kind of items as we are discussing today.

In my area there are thousands of acres of cleared grassland on which the farmers are not bothering to grow hay because they cannot sell it. We would like to have community pastures. We would like the government to come to us and say that they will feed our dairy cows for 10 cents a day and our calves for 4 cents a day. They are paying for this in the large area of western Canada affected by drought and are able to do it for $100,000. I think that the government is to be congratulated if this is the case, but I think the minister is under obligation to tell

us how much of the money went into the subsidy to pay for the pellets which the hon. member for Moose Jaw-Lake Centre suggested were provided out of the $100,000.

I am only suggesting that if this is a good thing for the farmers of western Canada then let us not have it only in the years when there is drought. Any beef producer will tell you that if you can feed a cow for 10 cents a day you are doing exceptionally well. In fact, if you can keep a herd alive in my part of the country for 10 cents a head you are doing very well. I should like to know why this subsidy is not being provided under this program in my part of Canada and in the rest of the country. I think the government has an obligation to tell us what part of the subsidy came from the added amount for which we are now asked in this supplementary estimate.

The Conservative members from eastern Canada must be aware of the situation. I know that many of them are connected with the dairy industry, which is in very serious straits. Many Conservative members are concerned with the production of beef, poultry or swine and I am surprised that they have not asked that what is being done to help the farmers of western Canada should be extended to the rest of Canada. Good heavens, Mr. Chairman, surely we do not ask for legislation just to elect a large number of members from western Canada but rather for legislation which applies to all of Canada, which is good for all of Canada and which assists the agricultural industry to operate in the most effective and efficient way and to get the most out of the natural resource being used. If there is anything else being done under these provisions I think we should find out about it now. While the parliamentary secretary to the Minister of Veterans Affairs does not want to talk about ARDA, I think this would be a very good time for farmers all across Canada—

Mr. Jones: On a point of order, Mr. Chairman, I did not say that I did not want to talk about ARDA. ARDA is a very great program and I am willing to talk about it for hours and hours because it is a wonderful thing for agriculture in this country. However, I did draw the chairman's attention to the fact that under this item the remarks of the hon. member in talking about ARDA were not in order, and that is my position.

Mr. Peters: Mr. Chairman, I am not going to take the time of the committee, but if hon. members will read this pamphlet I am sure they will find that every problem we are discussing now will be solved if ARDA is implemented and is made 100 per cent effective. There will be no need for the legislation we are talking about now if this pamphlet is correct in its presentation of the problem.

Mr. McIntosh: I just want to ask the minister one question. The trend in the past has been for officials of the P.F.R.A. to concentrate their efforts on larger projects such as the south Saskatchewan dam and neglect the smaller projects. I wonder if the minister could give us some assurance that this same pattern will not continue in the future?

Mr. MacLean (Queens): To answer the last question first, I should like to say that there were almost 9,000 small projects undertaken in the past fiscal year, about double the average in the past.

I should like to answer some specific questions that have been asked of me. The hon. member for Vancouver East asked me about the construction program for the Saskatchewan dam. The completion date is 1965 and the program is now on schedule. It was a little behind, but as a result of the excellent construction weather that existed during this fiscal year, the program is now back on schedule. Under the terms of the agreement it is the responsibility of the Saskatchewan government to develop the areas to be irrigated, and the Saskatchewan government has such a program under way at the moment to ascertain which areas are most suitable.

The hon. member for Okanagan Boundary, I think it was, put a question to me as to whether or not a meeting had yet been held in connection with the Agricultural Rehabilitation and Development Act. I think his question was out of order, Mr. Chairman, but perhaps you will bear with me if I answer it. I can tell the committee that the director has met with the officials of the provinces and programs to be undertaken under this act are now being evolved. This act will allow the type of work that is now being done in the particular area to which this item applies, and will allow this type of water conservation work to be done in co-operation with the provinces in other parts of Canada.

The hon. member for Drummond-Arthabaska asked me if P.F.R.A. would be extended to the whole of Canada. I cannot speak for the government on that matter, but I should like to point out to him that the same type of work that is now being undertaken under this measure can be undertaken under ARDA.

Item agreed to.

DEPARTMENT OF FINANCE

630. To authorize the establishment of a special account in the consolidated revenue fund to be called the peace treaty claims (Japan) settlement account, to which shall be credited all amounts received from Japan by way of settlement of its obligations under article 18 (a) of the treaty of peace between Canada and Japan that was signed at San Francisco on the 8th of September, 1951, and, notwithstanding section 35 of the Financial Administration Act, to authorize payments out of the said account in the current and subsequent fiscal years, in accordance with the peace treaty claims (Japan) settlement regulations established by order in council P.C. 1961-1850 of the 22nd day of December, 1961, in respect of claims and in respect of expenses incurred in investigating and reporting on such claims and to authorize the repayment out of the peace treaty claims (Japan) settlement account of all amounts that have been paid out toward such expenses under the authority of this or any other Appropriation Act, $1.

Mr. Pickersgill: Just a moment, Mr. Chairman, you are going rather rapidly. I should like to ask the minister if he can say whether or not this vote would have anything to do with the compensation being paid to the Hong Kong veterans, either in respect of their period of imprisonment or as compensation for forced labour. Perhaps I can take just one or two sentences to elaborate upon what I have in mind. As I understand it, and I must confess to the parliamentary secretary that I have not got the documents with me that I hoped to have when I rose to say a word about this subject and I am just relying on memory, we did make provision out of the war claims fund for these veterans on a basis roughly comparable to that of the United States so far as compensation for maltreatment of these prisoners during their period of imprisonment is concerned. However, I believe the United States also gave a forced labour award which we have not given.

I believe there was some problem at that time as to whether or not there would be adequate funds. As I understand it, some of the Hong Kong veterans feel that there were, in fact, adequate funds to give an award comparable to the United States award. I do not believe the question is closed. I would not want anyone to think I was seeking to say anything controversial or critical in any way. I am simply seeking to elucidate a question and get a little information. If the parliamentary secretary can give me a little information, I know that there are a number of Hong Kong veterans who will be interested in it.

Mr. Bell (Carleton): This particular item does not relate to the problem which the hon. gentleman has just raised. Actually, this item arises out of paragraph 18(a) of the treaty of peace with Japan and deals entirely with claims arising out of the Sino-Japanese war of 1937-41. It involves, actually, quite a small sum of money which was received in September of 1961, a lump sum settlement of some $17,500, United States, which then being converted, provided $18,025, Canadian. This amount is available for distribution to a small number of claimants who suffered as a result of the Sino-Japanese war. The Minister of Finance has been authorized to retain an adviser in relation to the disbursement of that fund, and has retained Mr. Justice Hyndman, whose experience is pre-eminent in this field and for whose wisdom and judgment my hon. friend from Bonavista-Twillingate has as high a regard as I have.

The particular matter to which my hon. friend refers does not come under this particular item. He has referred, I think, to the forced labour award for prisoners of war resulting from the Hong Kong situation. This was referred in the first instance, as I recollect, to the Right Hon. J. L. Ilsley, now chief justice of Nova Scotia, who associated it with an award for maltreatment—I am speaking now from memory—of $1 per day. When there was some money in the fund, the war claims fund, then this government raised the amount I think to $1.50. The matter was referred again to the chairman of the war claims commission, Chief Justice Campbell of the province of Prince Edward Island, who reiterated the Ilsley award. I can only say to my hon. friend that the amount which remains in the fund is now only $67,534.35. The final report of the war claims commission has not been presented, and beyond that at this stage I cannot go.

Mr. Pickersgill: I thank the parliamentary secretary for being so generous, because the point I have raised is not directly connected with the item. I would ask him, if I may be permitted just to shade on the edge of the rules in so doing, whether he would assure me that the representations I have received will receive careful consideration if I pass them on to him.

Mr. Bell (Carleton): Mr. Chairman, the representations my hon. friend makes always receive careful consideration.

Mr. Carter: Mr. Chairman, I just wish to make sure that the only amount that is going to be in this fund when it is set up is $17,500.

Mr. Bell (Carleton): Seventeen thousand five hundred United States dollars. It was paid in United States dollars, and worked out to $18,025 Canadian.

Mr. Carter: The balance in the war claims commission will not be transferred to this fund?

Mr. Bell (Carleton): No, not at all; they are quite separate funds.

Item agreed to.

General items of payroll costs including superannuation payments—

631. Government's contribution to the hospital insurance (outside Canada) plan—further amount required and to authorize the treasury board to make regulations to extend the scope of the plan established pursuant to vote 668 of the Appropriation Act No. 5, 1958, to include members of the regular forces in such circumstances and for such periods as the regulations prescribe, $90,000.

Mr. Pickersgill: Could the parliamentary secretary just tell us the reason for this vote.

Mr. Bell (Carleton): This vote is for an extension of what is an important hospital insurance principle for Canadian government employees and their dependants who are stationed abroad. It is for the foreign service and affects a total of 8,700 people. The position was that by a vote in 1958 treasury board was authorized to make regulations providing for hospital insurance for Canadian government employees and their dependants abroad, for dependants of the R.C.M.P. abroad, and dependants of the armed forces.

That was extended by the Appropriation Act of 1960 so that it would cover service subsequent to returning to Canada until these employees or their dependants could pick up the provincial plans. The basis of contribution is that which an employee would make were he resident in Ontario. In other words, this plan for federal employees is based upon the Ontario hospital insurance scheme. This particular supplementary estimate is to cover additional costs due to a considerable expansion that has occurred in the membership and the use of this plan since the preparation of the main estimates for the year.

In addition to the extension of the scope of the plan additional moneys are required so that members of the forces will not be without hospital insurance coverage while on certain types of leave without pay, or while qualified for coverage under a provincial plan having been released from the service immediately prior to or upon their return from a posting outside Canada. The amount previously voted was $130,000; this vote is $90,000, making a total of $220,000 for this purpose during the year.

Mr. Benidickson: Mr. Chairman, if the committee looks at the language of the vote it will perhaps realize that we are again carrying on this business of legislating under the estimates rather than by amendment of an act. The former member for Winnipeg North Centre has elaborated on this argument and I am not going to repeat it. Of course, his criticism in those days was directed to the former government. There may be good reason for us to look at this type of thing, because in vote 631 the committee will see that we are authorizing not only the expenditure of $90,000 but we are authorizing treasury board, which is a small committee of the cabinet, to make regulations to extend the scope of the plan. We do not even know what regulations are likely to be made by treasury board.

I hope the parliamentary secretary will tell us what the plan is and what is going to be recommended by the Department of Finance—which is in charge of this particular item—to treasury board, if they have not made regulations already. Of course he cannot guarantee that they will accept his minster's proposals, but at least we in committee of supply should be informed as to what he thinks his minister is going to recommend to treasury board.

Mr. Bell (Carleton): The regulations that already exist are of course a matter of public record and have been laid upon the table of the house. My hon. friend from Kenora-Rainy River has commented upon the general procedure of legislation in the estimates. I have in another place at another time expressed certain views with relation to that matter. They are a matter of public record and I think I shall have to be content to let that record stand.

My hon. friend asks what will be the recommendation in relation to the amendments to the regulations which are dated November 24, 1960. I can only say that they will be for the purpose of expanding the existing regulations so that coverage will be provided for certain members of the armed forces while they are on leave without pay, or for certain members of the armed forces and employees of the government of Canada to pick up this insurance coverage prior to their leaving for service abroad.

Mr. Peters: Mr. Chairman, I wish to ask the parliamentary secretary whether this covers the problem where on occasion a member of the armed forces may be on leave and is killed. Is there an insurance policy of that nature attached to the hospitalization plan?

Mr. Bell (Carleton): No, this covers the question of hospital insurance exclusively. It has nothing to do with what may be the insurance feature in relation to the man's service in the armed forces.

Mr. Benidickson: The parliamentary secretary indicated that with respect to regulations for employees of the government of Canada serving outside Canada the government was

using the Ontario scheme. Is Ontario as generous as other provinces in this country? I do not think Ontario is the most generous; I think they have been very niggardly in the administration of some of their petty regulations in connection with the cost-sharing program. I know that Ontario has the largest population and, of course, has one of the oldest provincial governments.

Why do we rely upon Ontario as our standard for what might be made available to employees of the crown serving outside Canada, particularly when in an administrative way I think Ontario has not been very generous in these welfare measures, including this particular one of hospital insurance.

Mr. Bell (Carleton): Mr. Chairman, my hon. friend surprises me greatly when he suggests that the Ontario plan is in any way niggardly. My personal impression is that it is the very reverse. I have had opportunity during the last two or three years to take advantage of the Ontario plan, and I must say I have felt it was a most generous plan in all particulars.

I am not in a position before the committee today to make a comparison between the amount an employee of the federal government might receive in one province as against another. I can only say to my hon. friend that it would not be feasible to have ten separate plans operating and use the residence or domicile of the individual. The only reason the Ontario plan is chosen, I think, is that the national capital is located in Ontario and it is thereby the most convenient plan to adopt. I am sure that all those who benefit by this plan are quite satisfied that they are receiving generous treatment.

Mr. Pickersgill: There is one respect in which the Ontario plan is much less satisfactory than that of the other provinces. I refer to the fact that it does not cover the whole population. In British Columbia, for example, there is a sales tax and everybody is covered by hospital insurance. In Ontario it is true that all people employed for wages are covered, but self employed people are not all covered.

Mr. Benidickson: Only there are more than eight people in the firm.

Mr. Pickersgill: Perhaps this is not the proper occasion on which to make this observation, but I believe that there is no more inefficient bureaucracy that I have discovered than the Ontario hospital insurance commission. I say that out of personal knowledge of a number of cases. They can take a good many lessons from the department of health and welfare here on how to organize a service properly. It may be that taking Ontario as a model has no effect upon people overseas, and it may be I am using this committee as a forum for the expression of a grievance that I ought to get my member to express in the Ontario legislature. But my member in the Ontario legislature represents the riding of Russell and he seems to be otherwise preoccupied these days. You will understand me, sir.

Another question I wish to ask is this. The provision here refers to persons outside Canada, I take it, and it covers the period after their return to Canada before they would be dealt with under the operation of a provincial scheme. I think that in some provinces they would be covered as soon as they came back. In Ontario, as another of their little tricks, they deprive them of coverage for some time. But what I am trying to find out is this: does the federal government have any similar provision for any of its employees in Canada, or is this intended just to cover those who are not covered by any provincial scheme? For example, what about employees in the territories?

Mr. Bell (Carleton): This particular vote relates only to employees and their dependants abroad, or to dependants of members of the forces. With reference to the situation of employees in Canada, they will insure themselves under the various provincial schemes. I do have a recollection that there is a territorial scheme in existence both for the Yukon and the Northwest Territories. I am speaking from recollection only, but I believe the territories have arrangements similar to the provinces.

The federal government has in the last two or three years provided, on a generous basis, a group medical and surgical scheme which is an outstanding type of group scheme, though, of course, it does not involve the hospital arrangements we are discussing here.

As to the hon. gentleman's last remarks I can only say that my experience of the Ontario scheme has been very different from that which he has represented to the committee. I have found the Ontario scheme most satisfactory and most generous.

Item agreed to.

632. To authorize persons who were contributors under the Civil Service Superannuation Act immediately prior to the 1st day of January, 1954, and who became contributors under the Public Service Superannuation Act on that date, who failed to elect under subsection (5) of section 25 of the said act before the 1st day of January, 1955, to elect, in accordance with terms and conditions approved by the governor in council, to count service that would have been countable by them under the said section if they had not so failed to elect, and to deem such election to be valid for all purposes of the said act, $1.

Mr. Peters: Can the minister tell us how many people are involved in this vote?

Mr. Bell (Carleton): One.

Mr. Caron: I shall try to ask my question in English, so you will not need that thing in your ear. Does this provision mean that those who did not take advantage of the law of 1954 can now take advantage of it?

Mr. Bell (Carleton): This is confined entirely to those persons who failed to elect under subsection 5 of section 25 of the act. This is an election having to do with the defence services pension fund. In reply to the hon. member for Timiskaming I said one person was involved. We are only aware of one. There may be others—there may turn out to be others—but it is thought unlikely.

Mr. Caron: There is one dollar provided because you think you have sufficient funds to look after this in the regular administration?

Mr. Bell (Carleton): Yes, funds are available because of contributions which were made for this purpose by the individual concerned in the belief he was in the public service superannuation fund. This simply gives the power to elect.

Mr. Caron: And if anybody else comes along they would be accepted under the same principle?

Mr. Bell (Carleton): If there is someone who comes under subsection 5 of section 25 of the act.

Mr. Benidickson: The parliamentary secretary says that up to the present time he has knowledge of only one individual whose case is being advanced as an argument to justify an amendment which is, again, being done here by means of an item in the estimates. He indicates that the employee was employed by the department of defence.

The hon. gentleman will have read the report of the Auditor General with respect to a number of superannuation items. Would he take this opportunity to indicate to what extent he is aware of steps taken in his department to tighten up the situation with respect to some of these practices which have been drawn to the attention of the public and to the attention of members of parliament by the Auditor General? After all, it is the Department of Finance which is responsible for the provision of superannuation in respect not only of civilians but of people formerly employed in the armed forces. It seems obvious that senior persons in the employ of the government have been soft in connection with placing former employees on retirement on a basis which would not normally prevail in private business. The cost of retiring an unsatisfactory employee on pension has, as the Auditor General has pointed out, been most expensive to the taxpayer.

Mr. Bell (Carleton): I think I should point out that if I were to undertake to go into that question on this particular item I should be carried very far from the vote itself and the discussion would soon be completely out of order. The hon. member and I will, I am sure, meet in another forum, namely the public accounts committee, where this matter will be discussed in detail. At that time we shall have witnesses before us and we shall be in a position to discuss the question on the basis of the information disclosed. I have not brought with me today the details of the Auditor General's report or the other facts of the cases mentioned because I did not think they were relevant to this item, which is a very confined one.

Mr. Benidickson: Has the parliamentary secretary the authority to assure me that we are likely to have the normal sittings of the public accounts committee to review, as we would in a normal year, the various recommendations of the Auditor General paragraph by paragraph?

Mr. Bell (Carleton): I have no knowledge which the hon. gentleman does not have, but I would draw his attention to items 13 and 14 of today's order paper which indicate that there are to be references to that committee.

Mr. Benidickson: It could be a smokescreen.

Mr. Bell (Carleton): All I can say is that when the house refers those items to the public accounts committee, that very good committee will do its duty as it always has.

Item agreed to.

Special—

633. **Contribution to the New Brunswick disaster fund, $50,000.**

Mr. Carter: Mr. Chairman, I wish to commend the government for this item. Perhaps I may be permitted to take a moment or two to say that this item seems to me to point up the need of a permanent fund of this kind to provide relief for our fishermen who so often have to suffer disaster. We all have poignant memories of the disaster for which this contribution is being made. A year before that there was a disaster in my own riding in which a dragger was lost with all hands as a result of which 14 families were left penniless. Only yesterday a storm occurred resulting in a loss of considerable property belonging to fishermen.

As far as I know no lives were lost but even the loss or destruction of property can be a disaster.

I wish to ask the government to give consideration to establishing a permanent disaster fund for fishermen. The minister pointed out some time ago that fishermen do not have too much in common with farmers. However, the farmer can always go to bed and sleep safe and sound every night but the fisherman risks his life every time he goes out to earn his living. I believe special consideration should be given the fishermen in view of that fact.

We have had ample evidence in recent years of the disasters which our fishermen and fishing communities have to suffer. I urge the government to give consideration to establishing a special disaster fund for fishermen.

Item agreed to.

Special—

634. Grant to l'association des universités de langue française to assist in defraying the expenses of the first world congress of French language universities held in Canada in 1961, $15,000.

(Translation):

Mr. Dorion: Mr. Chairman, I should like to say a few words about this item whose purpose is to pay a grant to the association des universités de langue française. It will assist this organization in defraying the expense of the first world congress of French language universities which was held in Montreal from September 9 to 13, 1961.

I should like to point out right now that this item comes under the government's program designed to foster the expansion, throughout the world, of the French culture, to which six million Canadians belong, in the same way as the federal government already promotes the cultural development of commonwealth countries.

The congress I mentioned was an essentially international event, because it brought together representatives from 37 universities where teaching is done exclusively or mostly in French. In addition, the governments of the ten states made it a point to be represented by observers, high officials of the national education or foreign affairs departments. Two countries even sent their minister of national education.

At the end of the conference, the participants established an organization which ensures close contact between the French-speaking universities of the world and which will take the necessary steps and carry out proper investigations and research on their behalf.

[Mr. Carter.]

The organization is known as AUPELF that is the association des universités entièrement ou partiellement de langue française. Its board is composed of Msgr. Irenée Lussier, rector of Montreal University, chairman; Mr. Marcel Bouchard, rector of the University of Dijon, France and Mr. Mohammed El Fasi, rector of the Moroccan Universities, vice-chairmen. The members come in particular from Lille, France; Algiers; Liege, Belgium; Dakar, Senegal; Leopoldville, Congo; and Tananarive, Madagascar.

The fact that these members, who have chosen a Canadian as chairman of their association, come from such widely scattered places clearly indicates the international character of such a meeting and the world-wide importance of the role our French-speaking universities are called upon to play.

In this respect, I hasten to remind the house that Mr. Andre Bachand, who has recently been appointed assistant to the rector of the University of Montreal, played a major part in the organization of the convention. I take this opportunity, Mr. Chairman, to congratulate Mr. Bachand for the work he has done on this occasion, as director of public relations at his university, and to congratulate him also on his recent appointment to his important post. The many members of this house who have had the pleasure of meeting him appreciate his courtesy and competence. They will join with me, I am sure, in wishing him every success.

May I also associate with these congratulations Mr. Jean Marc Leger, editorial writer of *Le Devoir*. The success of the convention is largely due to him. On that particular occasion, he substantially contributed to the renown of Canada abroad.

In passing this item 634, the committee will acknowledge the advisability of giving aid to AUPELF whose work, let us not forget, will benefit many Canadians since this organization will stimulate co-operation between Canada and foreign countries through the exchange of professors, scholarships and courses for students and scholars, as well as through the exchange of textbooks and reference and scientific works.

Mr. Caron: Mr. Chairman, I wish to add my voice to that of the Secretary of State (Mr. Dorion).

He is very pleased that l'association des universités de langue française chose to hold its first convention in Canada. This adds to the importance, not only of the French culture in Canada, but also to our French Canadian universities.

I am sure all the members will be pleased to approve this additional amount, for everyone to know that in Canada, the English-speaking as well as the French-speaking Canadians gladly unite in order to assist association des universités de langue française to go on in its efforts to make known throughout the world the French culture which is particularly appreciated by those who have taken the trouble to get acquainted with it.

I associate myself wholeheartedly with the Secretary of State in support of the item we are asked to vote on.

(Text):

Mr. Herridge: Mr. Chairman, I rise on behalf of this group to express our complete support for this estimate. I am sorry I must confine my remarks to English on this occasion as my French is not as good as the Prime Minister's. However, I want the committee to know we consider this a worthwhile move and are proud to be associated with any estimate that leads to a further development in understanding of the great French culture.

Mr. Benidickson: Hon. members will realize this amount refers to a conference already held. We all appreciate the honour that was given Canada when this country was chosen as the site of the first conference of the French language universities association.

I wish to ask the parliamentary secretary for information. We are now voting what appears to be an additional $15,000 of a grant which may have been $65,000 in the basic estimate for 1961-62. Am I correct in my understanding?

Mr. Bell (Carleton): I am afraid I do not understand the hon. gentleman.

Mr. Benidickson: In the first column of the document before us we are asked to vote $15,000. The second column refers to an amount of $65,000. The third item, of course, is the total for the department. Have we previously granted something under this vote?

Mr. Bell (Carleton): No, not for this purpose. The amount involved there, I believe, is the total budget for all purposes. The $15,000 is the amount of the federal contribution.

(Translation):

Mr. Pickersgill: Mr. Chairman, as an English-speaking Canadian, who has a strong desire to be bilingual but who fears that he will never manage it, I am happy to support the views expressed by the Secretary of State (Mr. Dorion), the hon. member for Hull (Mr. Caron) and the hon. member for Kootenay West (Mr. Herridge).

(Text):

Mr. Bell (Carleton): May I correct the answer I gave to the hon. member for Kenora-Rainy River in respect of the amount of $65,000. That actually is approximately the total budget of the organization. I looked in my notes and thought that was what was involved there. If my hon. friend will look at the heading "special" he will see that it covers $50,000 for the New Brunswick disaster fund and $15,000 for this. The total is $65,000 in the second column.

Item agreed to.

DEPARTMENT OF FORESTRY

Forest research branch—

635. Operation and maintenance—further amount required, $80,000.

Mr. Herridge: I intend to be quite brief. The members of this group cannot resist having a few words to say on such an important estimate, one of $80,000 for additional costs in connection with the forest research branch, inasmuch as we realize how important this work is to the welfare of the present and future generations. The only thing we regret is that more is not spent on forest research. When you study the budgets of European nations and some other nations and consider the great importance of the forest industry to Canada, we are still not spending nearly sufficient on forest research if the work required is to be done. Before proceeding I wish to thank the minister for his courtesy whenever I have sought information or asked for bulletins or literature or things of that sort which are within the range of his department. I appreciate that courtesy and I appreciate also the minister's woodsy feel. You can be a technician; you can know the scientific aspects of forestry; but if you have not the woodsy feel—and it is something you acquire by living in the forests and being associated with the industry—you do not understand the problems as well.

I intend to have more to say on the main estimates. However, the importance of this work is not understood by many members of the house. I was just glancing roughly through the annual report for 1960-61 and I noticed that this branch is undertaking work in silviculture and management, mensuration—which is a very important subject, changing the techniques from one type of scale to another—tree improvement, tree biology, forest and forest land, forest inventories research and forest fire research. All these activities require greater funds than have been available in the past if the work is to be undertaken satisfactorily, and in time to produce the results which are, shall I say required or necessary for the practical application of the recommendations derived from the studies in some cases.

I rise at this time, particularly to draw attention to one aspect of forest research or the direction in which forest research can be applied. I wish to refer particularly to the work of the Canadian tree farmers associations. I urge the government to give that at present small organization, but one growing in importance, every possible assistance and encouragement. It is a socially responsible and desirable form of free enterprise as it is composed of persons who are aiming to accept their responsibilities to present and future generations by making certain that we conserve and develop our forest resources to the greatest advantage.

It is marvellous field for young people to enter if they wish to have a co-operative attitude toward life and yet have the opportunity to give expression to personal initiative and personal application of their abilities and energy. I therefore urge every consideration for this organization. Its main purposes are to promote the conservation and the development of forest resources through the ownership of woodlots and tree farms by individuals, small corporations and so on.

I wish to bring to the attention of the committee and the minister briefly the recommendations made by this organization to the resources for tomorrow conference, as they were the result of numerous meetings on the part of the directors in association with other persons who have been interested in this field. I might say that this forest industry is my life blood; I have lived my whole life in it. The recommendations are as follows:

(1) An extension forester must be available eventually for every 100,000 to 200,000 acres of tree farm land and woodlots.

There is a connecting link between the tree farmer or wood lot farmer and the research facilities that are available.

(2) In general to encourage competent tree farmers to remain in all areas of general marginal and submarginal food producing land and to encourage these tree farmers to hold or obtain adequate acreage to support a healthy tree farming activity in all such communities.

That is where a good deal of research is required in order to find out different types of land that are suitable for this purpose, and species that are less suitable. It is a splendid field for young people from rural communities, particularly if it is allied with farming or other rural activities. Then they go on to say this:

Complete desertion of these areas would result in less intensive tree farming in the entire area because of the alternative, less economical, less intensive operation possible by public ownership.

I agree with that statement, on that scale, They continue:

[Mr. Herridge.]

We must not adopt a policy in Canada that would unwittingly have the effect of creating collective, publicly owned farms of the type in Russia.

Then the next recommendation is as follows:

(3) Availability of loans on long term at low interest rates to encourage and aid the independent tree farmer during a period of as much as 25 years to establish an efficient, productive, high yield tree farm.

I might say that 50 years ago I bought some land upon which nothing was growing but ferns, willow herb and willows. Now I have on that property white pine, 2 feet in diameter and as much as 100 feet in height. It is particularly good growing land, but it shows what can be done in one lifetime. From the point of view of the average Canadian where our forest resources have been so readily available, we have not acquired to any great extent to date that long term view or that willingness to plant at the present time for the benefit of future generations, which prevails to a much greater extent in Great Britain and in European countries. I remember that when the Duke of Buccleuch was here he told me what he had done on his estates since the war. To give him credit, may I say that his family has a sense of responsibility to the state and a responsibility to future generations. One hundred and ten thousand acres of his estate were overcut and in a sense destroyed because of the necessity to supply pit props for war production in the second world war. I forget when it was that he was here, but I think it was about four years ago. At that time he told me at the family's own expense they had replanted 77,000 acres. How many corporations have done that in Canada in the same period since the second world war, corporations that have no timber because in days past they destroyed the forest by their methods of logging and so on. I admit that those practices are changing and improving. However, I see a great future for the forest industry in rural communities. I am speaking on this item in view of the necessity of extending forest research because there are millions of acres in Canada which can be brought into production for the benefit of future generations and, with proper and selective cutting, can provide some income for the present generation. The association goes on to recommend:

4. Vocational training of tree farmers in the technical features of growing, harvesting and marketing of wood as a crop. This will be a form of adult education and may be copied from the Danish folk schools.

I might say, Mr. Chairman, that I have read a good deal about their practices, and I bring this to the attention of the Minister of Labour who I see is listening to what I have to say.

This is a type of vocational training that has not been undertaken to date and one that can be applied very successfully in a good many areas of Canada if you can get the co-operation of the local forest industry, the local educational authorities and local farmers' and other organizations. There is an opportunity here for the training of these people along vocational lines so that they will have the knowledge that will place them between the scientifically trained forest engineer and the person who works in the woods without knowledge of what he is doing. This is the next recommendation of the association.

5. The federal and provincial governments can assist our association greatly in carrying out its programs for local groups of woodlot owners by making available technical information on each of these programs and providing media for demonstrating this information to farmers at meetings. This could be the basis of the vocational adult education program. Macdonald college and other colleges have similar types of programs and others are needed.

I think these programs can be fitted into vocational schools. I am very glad to see that a vocational school is going to be erected in the city of Nelson as a result of the co-operation of the federal and provincial governments. Here is an ideal centre. As you know, Mr. Chairman, in my constituency alone last year there were over 300 million board feet of lumber cut and I believe it is estimated that up to 400 million board feet of lumber a year can be harvested in perpetuity by selective cutting. When you think of that vast and perpetual production and the increasing necessity for skills and for understanding in the industry and the increasing part that tree farmers or woodlot owners, whichever you like to call them, can play, one can see that there is a tremendous opportunity here.

In British Columbia the tree farms are largely huge areas that are leased by the large corporations from the provincial government. When I speak of tree farmers I am speaking of those who have anything from 100 to 5,000 acres of timber which they are operating on a perpetual yield basis. I should like to suggest that in establishing vocational schools the Department of Forestry would be very wise to get in touch with the industry and enter into consultation with all those people who have a knowledge of forestry and forest research including departmental officials and the local institutions in the area it is intended to serve. We can establish these vocational training schools for the management of tree farms or woodlots, and we have a lot of marginal land which will provide an opportunity to arrest the drift, shall I say, toward the entire destruction of what I term socially responsible and socially desirable free enterprise.

In the district in which I have spent the greater part of my life and which is a forested area, the harvesting of timber is largely carried on at present by three corporations. Yet there is a tremendous opportunity for the use of marginal lands with co-operation between the federal and provincial governments in making possible the purchase of forested land for tree farm purposes, the promotion of tree farming and the provision of opportunities for literally thousands of persons to have independent, happy and fruitful lives by the practice of this occupation.

Mr. Pickersgill: Mr. Chairman, if I may say a few words following the spokesman of the free enterprisers and the dukes, I should like to say that I too cannot find it in my heart to suggest that we should not vote at least this additional sum for the purpose for which it is requested, that of forestry research. I wish to make a special appeal, and the minister will understand readily why I am doing so, for the intensification of research into two particular aspects of forestry. After all, our forests provide the biggest and most valuable crop in Canada, a fact that is sometimes forgotten, and it seems to me that we lose a great deal of that crop every year by fire. This was particularly brought to our attention, of course, by the forest fires in Newfoundland last summer.

It seems to me there are two kinds of research that could very well be intensified. The first is research into better and also cheaper methods of fighting fires because, as I discovered, fighting fires is not a job for enthusiastic amateurs. To be done successfully it has got to be done by people who know how.

It is true, of course, that forest fires are not always a total disaster, that there are times when forests benefit from being burned, but in most cases it is desirable to arrest these fires at a very early stage. I recognize that in this field most of the responsibility rests with the provinces, but the federal government can certainly do a good deal in two directions, first, by the co-ordination of efforts and perhaps the establishment of a strategic reserve of firefighters and, second, by research into better methods of fire fighting.

There is another aspect of this subject which it seems to me also deserves constant study, that of salvage after a fire has taken place. We know that in most cases these fires do not destroy everything and that a great deal can be salvaged if the right methods are used. A great deal can also be done if

the right methods are used to promote the healthy development of new forests where fires have taken place. Perhaps because my own constituency was more adversely affected by forest fires last year than any other single constituency in Canada, the matter is possibly more in my mind than it is in the minds of some of the other hon. members at the present time. The minister came down himself to see what was happening at the very height of our difficulties last summer and I am sure I am addressing a minister who is very sympathetic. The minister, like the hon. member for Kootenay West, is familiar with the lumber business and, if I may say so modestly, I too have some knowledge because actually I was in the lumber business before I was 15 years of age. So that it is not just something in which I have taken an interest since I became a member of parliament. I feel that I am speaking to someone who is thoroughly sympathetic when I make this plea for intensification of this aspect of research, not that it is more important than the other aspect but because it is a field in which there is still a great deal to be learned, as is the case in every branch of the industry.

We do know that there is increasing competitiveness with woods products from products of some of our resources that are not renewable like the forests, and it is tremendously in the national interest to keep our forest products competitive in every way with other products, and not merely to keep up the supply but to increase the supply as the years go by because the demand will inevitably increase.

(Translation):

Mr. Caron: Mr. Chairman, I am quite willing to associate myself with the hon. members for Bonavista-Twillingate (Mr. Pickersgill) and for Kootenay West (Mr. Herridge), the latter being the most capitalistic of socialists, to say that there is certainly—I said socialist capitalist—and in order to join in their praise of the Minister of Forestry (Mr. Flemming).

The effort to instil into the public the importance of our future forests, and the forestry work to help the provinces were needed and called for.

I have been told, though I am no expert in this matter, that the minister is doing a remarkable job for which he deserves to be commended.

Earlier today I heard the hon. member for Kootenay West tell us that he once planted trees that are now 135 feet high, and measuring several feet around the base.

[Mr. Pickersgill.]

As far as I am concerned, in 1942 I went into the bush to fetch two spruce trees which I took home and planted in front of my house. I looked after them, I saw to it that they were not broken, and, today, those trees have reached a height of about 35 feet, and a diameter of about 12 inches above the roots, whereby, that means if someone, even without being an expert in the matter, makes an effort to study the question, he finally loves all that beautifies the surroundings of his home.

In 1936, we made a test in Hull. We obtained from the provincial government of Quebec, for the junior chamber of commerce of the city of Hull, 1,200 maple trees which were transplanted in that city. Unfortunately that work had not been preceded by a period of education and preparation of our school children. Those 1,200 maple trees were planted but, unfortunately, there are only three or four left today, because they were broken by the school children who ran and played around them, not being used to such means of adornment and embellishment in our cities. Thus the city of Hull was deprived of a desirable improvement because one of those maple trees planted near my place has now reached about 100 feet in height and a diameter of some 18 to 22 inches at the butt. If we had first of all had our school children fully understand the value and beauty of trees, they would have protected them and today our city would be so much the nicer with 1,200 fine trees.

Therefore, I would ask the minister to enter into an agreement with the departments of education of the various provinces in order that an educational program be implemented to instil into our children and our young people the beauty of a tree and its value around private homes, and in the forest.

I do not believe the minister will refuse to consider that matter which in my opinion is of the utmost importance because the growing generation is not adequately prepared in that field.

When the Department of Forestry was created some time ago, we complained that the minister had not appointed a single French Canadian to an important position. Now I see here the item "salaries and wages" and I feel I may ask the minister if he has been able, since the establishment of his department, to find at least one person from the province of Quebec or from any other part of Canada with a thorough knowledge of French to act in an important capacity in that department. Because, as I said some time ago, some English speaking people, probably without any ill will, ignore the fact that there is a very touchy French speaking group in

Canada—and one cannot blame them for being touchy. We have always been a minority, and we are still considered as such except in the province of Quebec which some seem to be treating as some kind of a reservation—French Canada—the province of Quebec only.

Well, I think we are entitled to be touchy and to ask, each time the occasion arises, what we are entitled to in Canada.

I am making this speech without any acrimony or spitefulness. But I ask this: if it has not already been done, I hope the matter will be reconsidered, and that it will be realized that the French element was entitled to be represented in that department, because we do have in Quebec forestry experts.

I know that, for some time, the Quebec government has been picking senior federal civil servants to bring them over to Quebec. Well, we could do the same thing, and pick within the provincial civil service a certain number of experts whom we could bring here in Ottawa; we would then establish the required balance, which would make French Canadians happy, as they are entitled to be.

(Text):

The Chairman: Shall item 635 carry?

Mr. Benidickson: No, Mr. Chairman, I have a few remarks to make. I could conclude in about two minutes if the committee would give me the privilege, and if there are no other speakers.

The Chairman: Has the hon. member leave to make these remarks?

Mr. Howard: I think perhaps it might be well to call it five o'clock, Mr. Chairman.

The Chairman: So that the house may proceed to the consideration of private members' business, pursuant to section 3 of standing order 15, it is my duty to rise, report certain resolutions and request leave to sit again.

Item stands.

Progress reported.

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

REPRESENTATION ACT

AMENDMENT TO INCREASE ELECTORAL DISTRICTS IN NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon) moved the second reading of Bill No. C-14, to amend the Representation Act.

He said: Mr. Speaker—

Mr. Howard: I rise on a point of order, Mr. Speaker.

Mr. Speaker: Order; the hon. member for Skeena rises on a point of order.

Mr. Howard: Mr. Speaker, the point of order which I should like the house to consider is this. Part of the principle contained in Bill C-14 is to repeal one part of the act and substitute something else therefor. The bill makes reference to the Canada Elections Act, chapter 23 of the Revised Statutes of Canada, 1952, and further on it makes reference to schedule IV of that act.

I would draw to the attention of the house that by virtue of the Statutes of Canada, 1960, chapter 39, the act which is mentioned in this bill, namely the Canada Elections Act, chapter 23, Revised Statutes of Canada, 1952, was repealed and no longer exists. I think the bill is not drafted in such a way as to indicate clearly what is sought as one of its principles, and I think this is a question which should be cleared up.

Mr. Speaker: I think this is a matter that can be raised in the course of the debate. If the bill does not make sense in its present form, it is capable of amendment, and the question raised by the hon. member can be properly taken up in the course of second reading as a matter of debate. I think it is perhaps not a matter of order at this stage.

Mr. Pickersgill: Mr. Speaker, could I say a word before Your Honour makes a final decision on that point. If, as I apprehend, the bill does more than merely change the name of the constituency and seeks to alter the representation in the House of Commons, it would appear to me that this would be a constitutional amendment. It is true, of course, that it is an amendment within the power of the parliament of Canada to make, judging from the precedents; but there would still be some question as to whether it would be proper even to consider a bill under the guise of an amendment to the Canada Elections Act which in fact was seeking to amend the British North America Act.

Mr. Nielsen: Mr. Speaker, if I may speak on the point of order and set the minds of my hon. friends from Bonavista-Twillingate and Skeena at rest, I intended when I started to speak, to explain to the house that it is not my intention to ask the house to proceed with the bill in its present form, but I wished to introduce certain amendments, which must be done not during second reading but during consideration of the bill in committee of the whole.

I am quite aware of the point raised by my hon. friend from Skeena, and I am prepared to deal with it in committee of the whole, because there is no schedule IV to the act but only schedule III. One of the features of the amendments which I will be asking to be made in committee of the whole is not to increase the membership of this house but rather to give representation to Canadians who are now unrepresented.

Mr. Speaker: Then without coming to a final conclusion on the matter which has been very properly raised, perhaps the debate will indicate what substance there is to the possibility that there is a constitutional problem in the bill.

Mr. Howard: Mr. Speaker, I wonder whether I might just raise one other point. I would ask the hon. member for the Yukon whether he would indicate in his initial remarks what the proposed amendment is, because it may seek to alter the principle contained in the present bill in such a way that the proper course would be to withdraw it and present another bill.

Mr. Nielsen: I intend to do that, Mr. Speaker. The bill is one which in its present form seeks to amend the Representation Act and there are certain consequential amendments to the Canada Elections Act. At the outset I should like to explain that I do not ask the house to pass the bill in its existing form. I will be asking, with the assistance of my hon. friend from Chapleau, for certain amendments to be made which would have the effect, not of adding a member to this house for the Keewatin and Franklin districts of the Northwest Territories but rather of adding those two districts to the existing electoral district of Mackenzie river, thus giving the residents of the Keewatin and Franklin districts the representation which thus far they have been denied.

Before I explain those changes I wish to very briefly emphasize the reasons which urge this house to give second and final readings to this bill before the house rises to attend the royal assent to certain bills which Your Honour has indicated will occur at 15 minutes to six o'clock.

First, and most important, is the fundamental concept that in a free democratic society such as ours in Canada, every adult Canadian is by law clothed with the right to take part in government and to vote for representatives who govern. This basic concept was set out clearly in the four kinds of rights to which the United Nations dedicated itself in the universal declaration of human rights in 1948, a declaration which grew out of the public demand for advancing the inherent and equal rights "of all members of the human family".

Second, and of paramount importance in all the circumstances, is the protection afforded to all Canadians by the Canadian Bill of Rights. Since the passage of that act there can no longer be any excuse for continuing to deny to any Canadian the human rights and fundamental freedoms of Canadians wherever they may live in Canada and without discrimination by reason of race, national origin, colour, religion or sex.

Third, I do not think any member of this house would take issue with me when I say that it would be a dangerous practice indeed to perpetuate the policy of King George III of England of taxation without representation. This is precisely what has been happening to some 8,000 northern and Arctic Canadians for more than half a century.

Fourth, I submit to the house that it might perhaps be prudent, in terms of Canadian sovereignty, to enfranchise our northern and Arctic Canadians before the Russians do so.

In short, this bill which I propose, with the assistance of my hon. friend from Chapleau, to amend by these proposals which I intend to explain in committee of the whole should, I submit, be allowed immediate second reading for these four very compelling reasons. In summary, it would eliminate the long standing denial of the franchise to some 3,000 to 4,000 northern and Arctic Canadians. Second, it would eliminate that discimination with which the Canadian Bill of Rights concerns itself. Third, it would eliminate the abhorrent practice of taxing Canadians without their right to be represented in parliament, and fourth, it would strengthen our northern and Arctic sovereignty.

The essential principle of this bill—for the benefit of my hon. friend from Skeena—is quite simple: it is to extend to those Canadians living in the Keewatin and Franklin districts of the Northwest Territories that which is their undeniable right, the right to vote.

At the time of introducing this bill I thought this would be best achieved by providing for an additional member of this house to represent these two districts. Since introducing the bill on January 22 last, however, the territorial council of the Northwest Territories has been meeting in Ottawa and has passed a resolution calling for the consolidation of the existing three districts of the Northwest Territories—that is, the Mackenzie, the Keewatin and the Franklin districts—into only two districts divisable, approximately, by the northerly extension of

the 102nd meridian which divides Manitoba from Saskatchewan.

It is contemplated that this division, to occur in 1964, will result in each of the two districts having its own territorial council. I should also explain here that this is a further urgent reason for extending the franchise to the resident Canadians of Keewatin and Franklin in that they are not even represented on the existing territorial council of the Mackenzie River.

It is at this time, I submit—that is, in 1964—that consideration might be given by parliament to the addition of a new member. In other words, the circumstances have changed since I originally introduced the bill of January 22 on the basis of a resolution passed by the territorial council of the Mackenzie District, Northwest Territories.

In the result, therefore, the amendments to this bill which will be proposed in committee of the whole will eliminate that aspect of the bill which would require the addition of a member of parliament to represent these two districts of the Northwest Territories. Instead the two districts concerned, Keewatin and Franklin, would be added to the electoral district of Mackenzie River, thus enfranchising those Canadians resident in Keewatin and Franklin.

I have available over 100 copies in English and in French of the reprinted bill as proposed to be amended in committee of the whole. I will ask, Mr. Speaker, that these be distributed to hon. members immediately upon going into committee of the whole. I have also attached to the bills a copy of maps in English and in French to assist hon. members during their consideration of this measure in committee.

There is a degree of urgency about obtaining both second and third readings today. As all our members are aware, if the bill does not pass through both second and third readings today it will go to the foot of the list and is not likely to come up again this session. Since this session will probably be the last before a general election, this would mean that these Canadians affected by this measure and entitled by law to the vote would once again be denied their rights as electors. I am sure no hon. member of this house would wish to delay the passage of this bill in those circumstances and, in the result, be the cause of perpetuating the disfranchisement of these northern Canadians. In addition, and this is most important, the chief electoral officer of Canada must be given the opportunity to erect the necessary election machinery in the areas of Canada concerned.

In urging the co-operation of all hon. members in giving an immediate second reading to this bill so that we may go into committee of the whole to consider the proposed amendments, let me say that for some time I have been urged by citizens groups such as the Baker Lake citizens association in the Keewatin and the Mackenzie River Progressive Conservative association to obtain recognition by this Canadian parliament of the fundamental rights of all qualified Canadians to representation in this house. I therefore urge all hon. members to allow the bill to go immediately to the committee of the whole for consideration of the proposed amendment.

Mr. Speaker: I see the hon. member for Skeena (Mr. Howard) rising, but before he speaks may I say that if the house is disposed to accept the plea of the hon. member for the Yukon (Mr. Nielsen) for its co-operation it seems to me that the procedure would be greatly simplified if the house would give unanimous consent to the withdrawal of the bill which is on the order paper and the substitution of the amended bill at this stage. Then the bill could go to the committee in its amended form and we would avoid the complication of making amendments to it there, particularly as the hon. member has indicated he has copies of the revised bill in English and French which could now be distributed.

Some hon. Members: Agreed.

Mr. Caron: Shall we proceed to consider the bill right away?

An hon. Member: Yes.

Mr. Frank Howard (Skeena): Perhaps the house would permit a delay of a moment or two while the copies of the new bill are being distributed.

I rise to indicate what I would have indicated with reference to the previous bill, except for the reference to the act which was repealed. I wish to assure the hon. member for the Yukon (Mr. Nielsen) of our support for this measure. We approve the desire to give to a group of people, no matter how small or how large, the right to representation in the House of Commons.

Hon. members will recall that one of the first things I sought to do upon taking my place as a member of this house was to accomplish substantially the same thing with respect to native Indians in Canada, that is, to give them the right to vote in federal elections. That idea subsequently took the form of legislation. We in this party have always supported any attempts to give the people all possible rights to representation in

this house, and, naturally, we have no hesitation in supporting the bill which is before us.

I note that one provision of the bill—indeed, it is one of the principal parts of the measure—relates not to the Representation Act but to the Canada Elections Act. I think this was necessary because of the nature of the area referred to in the bill and described by the hon. member from the Yukon. This provision seeks to give the chief electoral officer of Canada the right to appoint more than one election clerk, as I read it at a quick glance. This provision is necessary, as I see it, to ensure that it may be physically possible to operate the machinery of the Canada Elections Act so that everyone in the area has an opportunity to vote.

Apropos of this subject, there is another matter which we might consider. It is not only the returning officer and the various election clerks who will have difficulty in covering the area properly and seeing that the machinery of the Canada Elections Act can operate effectively. I think we must direct our attention to the vast size of this area and consider making the changes necessary to ensure that the elected representative of that region together with those who may be candidates can receive some assistance from the public treasury in order that they may have the opportunity to travel across this vast territory which, according to my memory, is more than a million square miles in extent. It is a tremendously vast area, and I think we should consider establishing the principle that the public treasury may assist candidates to ensure that the message gets across to these people in a political way. Otherwise we may end by giving them only the right and the opportunity to vote in elections without providing for that sense of attachment to the candidate or to political situations which is possible in urban areas.

We are happy to support this bill and the request of the hon. member for the Yukon. We shall do everything possible to facilitate the passage of the measure.

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

On clause 1—*Total number of members.*

Mr. Nielsen: Mr. Chairman, with the permission of the committee I feel I should explain as we go along each of the clauses and my purpose for offering an amendment. The only change this clause seeks to effect is to substitute the term Mackenzie River, which was heretofore the electoral district, with the name Northwest Territories electoral district. Henceforth the electoral district would be called the Northwest Territories electoral district. As will be shown on the maps which I have provided to all hon. members the district will include all the Arctic islands and all the mainland of the eastern portion of Canada above the 60th parallel except, of course, the northern portions of Quebec and Newfoundland. The amendment does not seek to change the constitution of the house in that the total membership would remain at 265 members.

Mr. Morton: Would the hon. member give the committee some idea of the population of the area?

Mr. Nielsen: As at 1959 there were 7,577 residents in the Keewatin district. Roughly 75 per cent of these would be of Eskimo origin. The remainder would be northern affairs administrative personnel, R.C.M.P., D.O.T. personnel, weather station personnel and other civil servants including industrial workers at Rankin inlet and individuals of that category.

In the Franklin district in the Arctic islands there would be another 500 people approximately. The two districts would comprise a population of approximately 8,000. A fair estimate would be that approximately 4,000 of those are entitled to vote.

Mr. Benidickson: Does the hon. member mean to suggest that the district of Franklin would be a separate constituency? What would be the total population of that area?

Mr. Nielsen: I do not recall whether or not the hon. member was in the chamber during the initial portion of my remarks. I explained that subsequent to January 22 when I first introduced this bill the Northwest Territories council passed a resolution which would divide the three existing districts of the territories—Mackenzie, Keewatin and Franklin—into two political divisions each with its own territorial council. The exact population cannot be ascertained until the results of the census are available to us but the approximate population of the Franklin district alone would be about 500 souls. This district includes all the Arctic islands.

Mr. Benidickson: With adults and children it would be about 700?

Mr. Nielsen: There are mostly adults in that area of Canada. This amendment does not seek to create a separate electoral district out of any of the existing districts of the territories but rather to consolidate the whole of the Northwest Territories into one electoral district.

Mr. Benidickson: I have some experience with the difficulties of coping with a riding that covers a large geographic area in attempting to do one's best in representing the citizens of Canada in the House of Commons. Although there are 82 electoral

divisions in Ontario my constituency covers approximately one eighth of Ontario. The population of the riding of Kenora-Rainy River is not small. It is larger than the population of some of the ridings in metropolitan Toronto. The members of those ridings can fulfil their responsibilities merely by riding a streetcar but that is not true in my district and so I appreciate what the hon. member has in mind here in his private bill to amend the Representation Act.

The hon. member for Bonavista-Twillingate raised a question as to whether there was some conflict here with the British North America Act in its present form.

I had close friendly relations with the late member for the Northwest Territories who I think did a magnificent job in trying to serve the wide geographic area he represented in the efficient manner he did. I know how expensive it was for him personally, a man without large resources, to cover his constituency even at election time visiting small pockets of population in the area. Many hon. members did not realize the difficulty with which he was faced. Even during recess, in order to do his duty to his constituents, he had to undertake these very expensive trips from one relatively small community to another located a considerable distance away. This he did with great energy and devotion.

We have a private member advancing a bill that would amend the act governing the distribution of the fixed number of seats in the Canadian House of Commons and as yet we have heard nothing from the ministry. Hon. gentlemen opposite on the front benches cannot avoid responsibility in a matter of this kind. The Prime Minister's ministers are familiar with the provisions of the British North America Act. They know that if a seat is added in one place a seat will have to be taken away somewhere else.

Mr. Nielsen: May I rise to explain to the hon. member that the bill does not seek to add a seat. It is designed merely to give the vote to the Canadians who reside in the two districts referred to.

Mr. Benidickson: I am looking at the explanatory note which says—

Mr. Martel: It has been amended.

Mr. Benidickson: I am sorry, I misunderstood. That would perhaps eliminate that particular criticism. There are not many ministers of the crown present with us at the moment. I believe a bill of the consequence of this bill deserves an explanation as to the opinion of the government. This is important because in the speech from the throne we had an indication that following the decennial census we would be obliged, as is usual every ten years, to examine the electoral set-up in Canada. I simply wish to ask that one of the ministers of the few who are present rise and give us some guidance concerning government policy on this issue. This relates to a policy which was announced in the speech from the throne and involves a subsequent commission.

Mr. Nielsen: I might say that the principle of the bill basically is really quite simple. All that it seeks to do is to give some 8,000 Canadians the right to vote for the representatives who govern them. That is all it seeks to do. It does not involve any commission or redistribution. It does not involve anything else than the basic fundamental concept of the right to vote.

Clause agreed to.

On clause 2—*"Northwest Territories" substituted for "Mackenzie River".*

Mr. Nielsen: Clause 2 is simply an amendment to the Representation Act substituting the words "Northwest Territories" or "electoral district of Northwest Territories" wherever the expression "electoral district of Mackenzie River" appears in that act.

Clause agreed to.

On clause 3—*Schedule amended.*

Mr. Nielsen: Clause 3 simply describes the vast area to which my friend the hon. member for Kenora-Rainy River referred as constituting the Northwest Territories. It simply amends the schedule to the Representation Act and enlarges the existing Mackenzie district to include the whole of the Northwest Territories comprising Mackenzie, Keewatin and Franklin.

I think this will be an appropriate point for me to comment on the point raised by my friend the hon. member for Skeena and subsequently referred to by my friend the hon. member for Kenora-Rainy River. I also have a fairly comprehensive experience in travelling over vast areas in the north. I might say that the situation has been vastly improved in recent years with the advent of the D.E.W. line, mining activity up there and the oil and gas exploration and activity in those areas. There are now many more air flights made into the Arctic islands and into the northern Arctic areas of Canada generally than were made formerly. It is not an insurmountable difficulty now, so the chief electoral officer assures me, to set up the necessary election machinery, provided of course there is sufficient opportunity before an election is called, or no more than there would be in most areas of the Mackenzie river district.

I should also say, in respect of travelling in these two districts, that there are roughly 15 administrative centres where there is a population concentration which is entitled to vote and these 15 administrative centres are serviced fairly regularly. With this type of communication improvement it seems to me that it should not be too difficult for the member who might subsequently represent the district to hitchhike rides from one portion to the other in the discharge of his obligation to represent his people. I might also point out one further factor, namely the greatly improved radio communication in those areas which allows that sort of communication.

Mr. Howard: The explanation of the hon. member as to the relative ease that exists now as compared with conditions a few years ago with regard to getting around a district such as this is welcome news. I have a constituency which is considered to be large in itself but which, compared to this new district, is one quite easy to deal with. While I can appreciate that it might be easy to hitch hike rides, as the hon. members says, through a district which has more square miles than two provinces put together, I think the matter will not be quite that simple. I am still interested in the concept that the public treasury should take account of the geographic features as between ridings and should pay an amount additional—and perhaps this will be done by way of differentiation—to the indemnity which members now receive. May I say this provision would not be confined to the Northwest Territories but would I am sure be applicable to the constituency which the hon. member represents, the constituencies of Port Arthur or Grand Falls-White Bay-Labrador or to my own and that of others whose territory is over the 1,000 square miles mark. I am not raising this matter in order to be critical of the bill, as on second reading I indicated our support for it. What I am now suggesting would be something which the hon. member could not introduce in any event because it would require a money bill and consequently could be introduced only by a member of the cabinet. In any event, this is a factor which I think must be considered in future years in order that a member would have reflected in his sessional indemnity the geographic factors with which he is obliged to contend and the high costs of transportation. Having done some hitchhiking through the northern part of my constituency I myself have discovered that hitchhiking is not always free, but that sometimes it is costly as well.

Mr. Benidickson: Obligations.

Mr. Howard: Obligations?

[Mr. Nielsen.]

Mr. Benidickson: Yes.

Mr. Howard: Perhaps my hon. friend the member for Kenora-Rainy River uses different phrases. However, I say that it is not free and that this fact must be taken into account. I hope that the hon. member for that constituency, when he is with us and whoever he may be, will be able to add another voice in support of this particular plea and that some day the government in office, whichever one it might be, will adopt the course suggested of concerning itself about the fact that all constituencies in the country are not equal, having regard to geographic and other factors and recognize that therefore all indemnities should not be equal and provide that some additional consideration be given there.

(Translation):

Mr. Martel: Mr. Chairman, I have just a few remarks to make on section 3 of this bill. It is precisely because of the provisions of section 3 that I am pleased to support Bill C-14, as amended, which has been introduced by the hon. member for Yukon (Mr. Nielsen).

I wish to point out that French copies of the bill have been distributed to hon. members. A map, in French, prepared by the Depart ment of Northern Affairs and National Resources, is included. It shows all the northern territories which will be added to the present district of Mackenzie to form what will henceforth be called the Northwest Territories.

There is another point which concerns my riding and which is of interest to Quebec residents and electors, as it is to me. It concerns the coastal islands along James bay and Hudson's bay. Subsection (b) of section 3 seems to provide for the eventual inclusion of those islands in the territory of the province of Quebec, which indeed claims some of them as its own. That is the only observation I wanted to make in that connection, Mr. Chairman.

(Text):

Clause agreed to.

On clause 4—*Appointment of more than one election clerk.*

Mr. Howard: Mr. Chairman, this clause provides for the appointment of additional people as election clerks and so on and the delegation of authority to election clerks by the returning officer, and I should like to be assured that this authority and power rests in the first instance with the chief electoral officer.

Mr. Nielsen: That is correct.

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the said bill be read the third time?

Mr. Nielsen: Now.

Mr. Churchill: Next sitting. By way of explanation, Mr. Speaker, in view of some of the comments made by members who have examined the bill perhaps it might stand for third reading at the next sitting. It will still be at the top of the list and will be the first item to be considered. In the interval the law officers of the crown might examine the bill to see if it is accurate in all respects.

Mr. Pickersgill: Mr. Speaker, there is a point that the hon. member for Kenora-Rainy River has drawn to my attention which is relevant to the consideration of this matter, and that is the procedure in having a bill that had been introduced into the house reprinted after it came into the possession of the house. There may be precedents for what has happened but I do not recall them.

I do not propose to make an issue of the matter now but, unless the procedure is quite regular, I wonder whether Your Honour would take it under consideration because it does seem to me to raise some pretty fundamental questions. We give first reading to a bill and hon. members prepare themselves to debate on the basis of the bill that is before them. They then get into committee of the whole and find themselves confronted with a radically different bill.

I did not feel that I should raise the matter in the committee and appear to be obstructing proceedings because the hon. gentleman had very politely given an explanation of the difficulties that occurred to the hon. member for Skeena and some of the rest of us. But it does seem to me that we should not lightly depart from the regular practices of the house, and I wondered whether I might submit to Your Honour that this point should be carefully considered.

Mr. Howard: Mr. Speaker, under other circumstances the practice of giving unanimous consent to second and third readings on the same day when dealing with such a bill would be quite acceptable. However, for the reasons mentioned by the hon. member for Bonavista-Twillingate and also the fact that I do not believe the substitute bill was printed in sufficient numbers to be available to all members of the house, I think it would be well to hold it over in order that members may have the opportunity to consider it further.

Mr. Speaker: Order. I understood—

Mr. Benidickson: May I speak to the point of order?

Mr. Speaker: Yes. I just wanted to make it clear that I understood that the house had agreed that the bill would be read the third time at the next sitting of the house and that the hon. member for Bonavista-Twillingate then raised a point of order as to the propriety of the house printing a second bill of the same number and form but differing in substance, a point which I think deserves consideration.

In this case the house by unanimous consent has accepted the reprinted bill and therefore perhaps the point of order is not one that arises now but one that might arise if similar circumstances occurred. I can assure hon. members that I will give some thought to the problem and alert the officers to the possibility of its arising again and the proper course to follow.

Mr. Benidickson: On the point of order, Mr. Speaker, there has been equanimity so far as the principle of the bill is concerned. I simply wanted to draw the attention of the house to the fact that in my experience it is somewhat unusual to have an amended bill put before us that is so different in content from the bill originally introduced. It is true that the house is master of its procedures and consent was obtained for acceptance of the amended bill but on the cover of the bill are the words "reprinted as proposed to be amended in committee of the whole". It is not something that was done in committee of the whole. There is a green rubber stamp impression on the cover which, having some experience in these matters, I think indicates that it has been received by the officers of the house on a certain date. In this case the date is February 22, yesterday.

The original bill to which I referred when I made some remarks in the debate had an explanatory note but the effect of the amended bill completely negates the explanatory note in the original bill. It was simply for the guidance of Your Honour, who I know will take an interest in this matter, that I wanted to say that in my experience this was an unusual occurrence. It is true that the consent of the house was obtained, but I know Your Honour will give consideration to the points raised.

Mr. Speaker: I thank hon. members for their references to the matter. It is one that deserves consideration.

Business of the House

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:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to amend the Children of War Dead (Education Assistance) Act.

An act to amend the Civilian War Pensions and Allowances Act.

An act to amend an act respecting the construction of a line of railway by Canadian National Railway Company from Optic lake to Chisel lake, and the purchase by Canadian National Railway Company from the International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood river near Mystery lake, all in the province of Manitoba.

An act respecting the construction of a line of railway in the province of Alberta by Canadian National Railway Company from Whitecourt, Alberta, in a westerly direction for a distance of approximately 23.2 miles to the property of Pan American Petroleum Corporation.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, I should like to ask the house leader whether, in view of the concord, harmony and co-operation which has prevailed throughout the day, he could find it in his heart to give us at least a general indication of what the government's program will be for the whole of next week.

Mr. Churchill: I would gladly enter into an agreement with the hon. member for Bonavista-Twillingate and I will give the program for the entire week if he will announce the subject of the supply motion which will be debated on Monday and Tuesday.

Mr. Pickersgill: Mr. Speaker, the seductive invitation of the hon. gentleman is of course entirely subversive to all the rights of an opposition and is not one that I could entertain; but I can assure the hon. gentleman that my conduct will be characterized by that spirit of co-operation which I always show in the house, and I hope he will respond to my invitation.

Mr. Churchill: On Thursday and Friday we will follow with estimates, the likelihood being that the further supplementary estimates which were not finished today will be taken up on Wednesday. Whether or not some legislation will be introduced, I cannot say at this moment.

Mr. Pickersgill: And there will be a supply motion on Monday?

Mr. Churchill: Oh, yes.

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

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

DEPARTMENT OF AGRICULTURE

Production and marketing branch—

615. Contributions to Manitoba, Saskatchewan and Alberta in accordance with terms and conditions prescribed by the governor in council of one half of the amounts paid by the governments of those provinces to farmers in respect of harvesting and baling of cereal crops for fodder to a maximum of $2.50 per ton, $190,000.

Land rehabilitation, irrigation and water storage projects—

Irrigation and water storage projects in the western provinces including the South Saskatchewan river project; the Prairie Farm Rehabilitation Act program; land protection, reclamation and development—

616. Construction or acquisition of buildings, works, land and equipment—further amount required, $3,200,000.

Special—

617. Prairie Farm Assistance Act administration—further amount required, $498,693.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Indian affairs branch—

Indian agencies—

618. Operation and maintenance—further amount required, $136,000.

DEPARTMENT OF DEFENCE PRODUCTION

A—Department—

624. To sustain technological capability in Canadian industry by supporting selected defence development programs—to increase by $4,000,000 total commitments authorized by vote 72 of the main estimates, 1961-62, $1.

DEPARTMENT OF FINANCE

Contingencies and miscellaneous—

630. To authorize the establishment of a special account in the consolidated revenue fund to be called the peace treaty claims (Japan) settlement account, to which shall be credited all amounts received from Japan by way of settlement of its obligations under article 18 (a) of the treaty of peace between Canada and Japan that was signed at San Francisco on the 8th of September, 1951, and, notwithstanding section 35 of the Financial Administration Act, to authorize payments out of the said account in the current and subsequent fiscal years, in accordance with the peace treaty claims (Japan) settlement regulations established by order in council P.C. 1961-1850 of the 22nd day of December, 1961, in respect of claims and in respect of expenses incurred in investigating and reporting on such claims and to authorize the repayment out of the peace treaty claims (Japan) settlement account of all amounts that have been paid out toward such expenses under the authority of this or any other Appropriation Act, $1.

General items of payroll costs including superannuation payments—

631. Government's contribution to the hospital insurance (outside Canada) plan—further amount required and to authorize the treasury board to make regulations to extend the scope of the plan established pursuant to vote 668 of the Appropriation Act No. 5, 1958, to include members of the regular forces in such circumstances and for such periods as the regulations prescribe, $90,000.

632. To authorize persons who were contributors under the Civil Service Superannuation Act immediately prior to the 1st day of January, 1954, and who became contributors under the Public Service Superannuation Act on that date, who failed to elect under subsection (5) of section 25 of the said act before the 1st day of January, 1955, to elect, in accordance with terms and conditions approved by the governor in council, to count service that would have been countable by them under the said section if they had not so failed to elect, and to deem such election to be valid for all purposes of the said act, $1.

Special—

633. Contribution to the New Brunswick disaster fund, $50,000.

634. Grant to l'association des universités de langue française to assist in defraying the expenses of the first world congress of French language universities held in Canada in 1961, $15,000.

HOUSE OF COMMONS

Monday, February 26, 1962

The house met at 2.30 p.m.

YOUTH APPRECIATION

DESIGNATION OF ANNUAL YOUTH APPRECIATION WEEK

Mr. Arthur Smith (Calgary South) moved for leave to introduce Bill No. C-71, for the establishment of an annual youth appreciation week.

Some hon. Members: Explain.

Mr. Smith (Calgary South): Mr. Speaker, the purpose of the bill is described in its preamble. There is little I can add except to say that a number of service organizations in the country have requested that such a bill be introduced to give us an opportunity to set aside a week in which to reflect upon the positive and good qualities of the vast majority of our young citizens and simultaneously, through a program of activities, to permit the adult population to become more fully aware of their qualities.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*SKIING DEVELOPMENT, MARITIME NATIONAL PARKS

Question No. 79—**Mr. Fisher:**

1. Has the Minister of Northern Affairs and National Resources made any statements in the past year about the development of skiing in the maritime national parks?
2. If so, when, where, and to what effect?
3. At the present time, how much skiing takes place in the national parks located in Nova Scotia?

Mr. Dinsdale: I will answer parts 1, 2, and 3 together, Mr. Speaker.

At the present time, little or no skiing takes place in the national park located in Nova Scotia. However, within the past year I have received representations from the hon. member for Cape Breton North and Victoria (Mr. Muir), about the possibility of developing some organized skiing facilities in the Cape Breton Highlands national park. Similar representations have been received from the hon. member for Saint John-Albert (Mr. Bell) with respect to Fundy national park in New Brunswick. I have also held discussions with interested individuals in the areas concerned and with representatives of the local chambers of commerce.

Following these representations I made arrangements for an expert, Mr. Franz Baier, to understake a technical survey of the skiing development potential of these national parks. Mr. Baier has completed his assessment and has submitted a report, which is now being studied by the officers of my department.

*SHIP CONSTRUCTION SUBSIDY AGREEMENTS

Question No. 105—**Mr. Chevrier:**

1. Since the announcement in the house on May 12, 1961, of the subsidy for the construction of ships, how many agreements covering the payment of subsidy for a specific project have been negotiated between the Canadian maritime commission, the shipbuilder, and the shipowner?
2. How many such agreements covering the payment of a subsidy for a specific project are for (a) operation in the deep sea trade (b) operation in the lake and coastal trade (c) trawlers and fishing vessels?
3. In what shipyards are these being built?
4. How many ships for which an agreement has been completed were under construction prior to (a) May 12, 1961 (b) have been commenced since May 12, 1961, and before September 27, 1961 (c) since September 27, 1961?
5. Of the 79 applications referred to in answer to starred question No. 20, at page 293 of *Hansard* for January 29, 1962, how many are for (a) operation in the deep sea trade (b) operation in the lake and coastal trade (c) trawlers and fishing vessels?

Mr. Balcer: As the answer to this question contains a list of over 30 shipyards, perhaps the house will agree to it being printed in *Hansard*.

Mr. Speaker: Is the house agreeable to the suggestion of the minister?

Some hon. Members: Agreed.

[*Editor's note: The answer referred to above is as follows:*]

1. Of 79 applications received by the Canadian maritime commission, 23 have been recommended by the commission to the interdepartmental review committee to date; 17 of these have been approved by the interdepartmental committee and four by the treasury board. The balance are still under consideration at commission, committee or treasury board level as indicated by the foregoing statistics.

2. Of applications received, none are for deep sea trade, 68 for lake and coastal trade, and 11 for fishing trade.

3. Yarrows Ltd., Victoria, British Columbia; Victoria Machinery Depot Co. Ltd., Victoria, B.C.; Burrard Dry Dock Co. Ltd., Vancouver, B.C.; John Manly Ltd., New Westminster, B.C.; Allied Builders Ltd., Vancouver, B.C.; Star Shipyard (Mercer's) Ltd., New Westminster, B.C.; West Coast Salvage and Contracting Co. Ltd., Vancouver, B.C.; Island Tug & Barge Co. Ltd., Vancouver, B.C.; S. Madill Ltd., Nanaimo, B.C.; McKenzie Barge & Marine Ways Ltd., Vancouver, B.C.; The Collingwood Shipyards, Collingwood, Ontario; Russel Brothers Ltd., Owen Sound, Ontario; Port Weller Dry Docks Ltd., Port Weller, Ontario; Kingston Shipyards Ltd., Kingston, Ontario; Canadian Vickers Ltd., Montreal, Quebec; Marine Industries Ltd., Sorel, Quebec; Davie Shipbuilding Ltd., Lauzon, Quebec; Geo. T. Davie & Sons Ltd., Lauzon, Quebec; Chantier Maritime de St. Laurent Ltee, Isle d'Orleans, Quebec; A. F. Theriault, Metegan River, N.S.; W. C. McKay & Sons, Shelburne, N.S.; Reginald Snyder, Lunenburg, N.S.; Smith & Rhuland Ltd., Lunenburg, N.S.; Bathurst Marine Ltd., Bathurst, N.B.; Saint John Shipbuilding & Dry Dock Co. Ltd., Saint John, N.B.; E. F. Barnes Ltd., St. John's, Newfoundland; Springdale Construction Co. Ltd., Barnes Ltd., St. John's, Newfoundland; Springdale, Newfoundland; Newfoundland Shipyards, St. John's Newfoundland; Willis Hopkins, Wesleyville, Newfoundland; Reginald Weir, Little Bay Islands, Newfoundland.

4. Since final agreements have not been signed, the following information is in respect of applications received: (a) 11; (b) 18 and (c) 41. Vessels involved in nine applications are still in the planning stage.

5. Answered by No. 2 above.

*TRANSPORTATION ROUTES DORVAL AIRPORT, MONTREAL

Question No. 129—**Mr. Chevrier:**

1. What are the terms of the contract referred to by the minister at page 355 of *Hansard* of January 30, 1962, between the Department of Transport and the concessionaire providing transportation from Dorval airport to the city of Montreal, as regards transportation and route to be followed?
2. Is the concessionaire required to follow along Côte de Liesse road?
3. If not, will the contract be amended so as to provide transportation for those who reside in the area serviced by Côte de Liesse road?

Mr. Balcer: The contract with the company providing limousine service to the Montreal international airport does not specify the exact route which must be followed between the city and the airport. In fact the route, including pick-up and disembarking points, is determined by the operator in consultation with the air lines in accordance with air line requirements taking account, it is understood, of both the fastest method of providing through service from downtown to the airport and, at the same time, the most likely requirements for pick-up and disembarking points en route.

[Mr. Speaker.]

COMPASSIONATE PENSION ALLOWANCES

Question No. 152—**Mr. Creaghan:**

1. How many persons are now in receipt of a compassionate pension, allowance, or supplementary award as provided by section 25 of the Pension Act?
2. Have all of these special pensions been reviewed by the Canadian pension commission since the 1st day of March 1961; and, if so, what percentage of the same have been increased or decreased since that date?

Answer by: **Mr. Churchill:**

1. 475.

2. No. To date, of those reviewed, approximately 50 per cent have been increased and less than 1 per cent decreased.

DENIAL OF APPLICATIONS FOR MILITARY PENSIONS

Question No. 154—**Mr. McIntosh:**

How many applications for pensions have been denied by the Canadian pension commission on the grounds not pensionable under section 13(2) of the Pension Act as the evidence did not establish that the disability or death arose out of or was otherwise directly connected with military service?

Answer by: **Mr. Churchill:**

Over the period April 30, 1950, to March 1, 1960, a total of 18,672 were denied on this basis. All dischargees who show any sign of disease or disability during service, or at the time of discharge, are referred to the Canadian pension commission for consideration. Less than 10 per cent of these claims were death claims where dependants were involved.

OATH OF OFFICE, PENSION COMMISSION

Question No. 155—**Mr. McIntosh:**

1. Are members of the Canadian pension commission obliged to take an oath of office before assuming their duties?
2. If so, have all present members of the commission done so?
3. What is the wording of the oath?

Answer by: **Mr. Churchill:**

1. No.

2. Answered by No. 1.

3. Answered by No. 1.

While commissioners are not required by statute to take any oath of office, they do take the ordinary oath taken by all civil servants as set forth in the Civil Service Act.

*GARIBALDI PARK, B.C.—ACTION BY PROVINCIAL GOVERNMENT

Question No. 162—**Mr. Winch:**

Has any offer been made to obtain Garibaldi park in British Columbia as a national park; and, if so (a) what was the date of the offer or offers which have been made (b) has it been considered or accepted by the provincial government of British Columbia (c) is any offer still open?

Mr. Dinsdale: Mr. Speaker, this matter has arisen in the house on a number of previous occasions during the discussion of my estimates or in the question period. The most recent reference was a reply I gave on April 19 of last year, *Hansard*, page 3792, to an almost identical question asked by the hon. member for Vancouver-Burrard (Mr. Taylor). In that reply I pointed out that on May 2, 1958 my predecessor had written to the minister of recreation and conservation in British Columbia, Hon. Earle Westwood, proposing that if British Columbia were willing to turn the area over to the federal government, free of all encumbrances, the matter would be brought before the federal government for consideration. Should it be viewed favourably by the government, the Department of Northern Affairs and National Resources would take over the area in accordance with the National Parks Act and proceed with a program of development.

There has been no change in the position since that time.

*SALE OF MOTOR VESSEL "CALABOGIE"

Question No. 163—**Mr. McWilliam:**

1. Was motor vessel *Calabogie* No. 177425 sold by crown assets disposal corporation; and, if so, to whom and in what amount?
2. What were the names, and amounts, of other tenders received for the purchase of this motor vessel?

Mr. O'Hurley: The answers are as follows:

1. Yes, to S. W. Smith and Son, Parrsboro, N.S. in the amount of $6,127.

2.

J. Splane & Co. Ltd., 522 Main st., Saint John, N.B.	$4,225
Bruce Scott, McGrath Cove, Halifax Co., N.S.	2,000
George H. Ring, Saint John, N.B.	1,700
Jake Farlane Produce Co., Summerside, P.E.I.	1,500
Patrick Miller, Carbonnear, Nfld.	1,005
Verreault Navigation, Inc., Les Mechins, Cte Matane	750
A. M. Shaw, P.O. Box 913, Halifax, N.S.	655
Gerald P. Blakeney, 109 Lakecrest dr., Dartmouth, N.S.	550

Questions

Arthur Halliday, 7 Alma st., Saint John, N.B.	515
Marsh Plumbing & Heating Ltd., Yarmouth, N.S.	500
Jacques Rochette, 113 Moffet ave., St. Foy, Que. 10..	466
province of P.E.I.	100

FOREIGN INVESTMENT CONTROL

Question No. 164—**Mr. Matheson:**

What is the percentage of foreign investment control in the years 1956 and 1961 in (a) the resource industries (b) the manufacturing industries?

Answer by: **Mr. Morris:**

Percentage of foreign investment control of selected Canadian industries:

	1956 %	1959 %
(a) Mining and smelting	58	61
Petroleum and natural gas..	80	75
(b) Manufacturing industries..... (including some resource industries such as pulp and paper)	52	57

Ratios corresponding to above for 1960 and 1961 are not yet available.

*TELEPHONE CABLE, LAKEHEAD AIRPORT

Question No. 165—**Mr. Badanai:**

1. Has the telecommunications and electronics branch of the Department of Transport awarded a contract for the laying of a telephone cable from the lakehead airport to Maplewood road and from Maplewood road to Rabbit mountain?
2. Who tendered for the job, and what was the amount in each case?
3. Who was the successful contractor, and what was the total amount of the tender?

Mr. Balcer: Mr. Speaker, the answers are as follows:

1. Yes.

2. Canadian Pacific Telegraphs; $132,000 to build line for Department of Transport ownership.

Canadian Pacific Telegraphs; $109,783 pre-operational construction cost and rentals of $9,486 per year under a five year contract.

City of Fort William; $123,017 pre-operational construction cost and rentals of $16,200 per year. No term of contract stated.

Canadian National Telecommunications; $148,466 pre-operational construction cost and rentals of $11,925 per year under a five year contract.

3. Canadian Pacific Telegraphs; $109,783 pre-operational construction cost and rentals of $9,486 per year under a five year contract.

*USE OF EXCHANGE FUND TO SUPPORT DOLLAR

Question No. 166—**Mr. Matheson:**

Is the Minister of Finance now using the exchange fund to restrain or support the value of the dollar?

Questions

Mr. Fleming (Eglinton): Mr. Speaker, I dealt with this subject in the house on February 9, and the answer will be found at page 711 of *Hansard*.

*FEDERAL BUILDING, SHEET HARBOUR, N.S.

Question No. 167—**Mr. McWilliam:**

1. Does the government propose to construct a federal public building at Sheet Harbour, Nova Scotia; and, if so, has land been purchased, and tenders called or awarded?
2. If tender has been awarded, what are the names, with amounts, of all tenders submitted?

Mr. Walker:

1. Construction of a new federal building at Sheet Harbour, Nova Scotia, is being considered but no decision has yet been reached; no land has been purchased nor have tenders been called.

2. Not applicable.

*DR. EUGENE FORSEY, BOARD OF BROADCAST GOVERNORS

Question No. 168—**Mr. Fisher:**

1. Has Dr. Eugene Forsey met with any difficulties or impediments in carrying on his duties as a member of the board of broadcast governors; and, if not, is there any substance in the allegation contained in the Toronto *Globe and Mail*, editorial page, (page 6) of February 12, 1962, that Dr. Forsey is unable to remain with the board when Joseph Sedgwick, Q.C., appears before it?
2. What explanation, if any, is there for this difficulty?

Mr. Nowlan: The answer to No. 1 is "no" and the answer to No. 2 is "not applicable".

*PRINTING OF UNEMPLOYMENT COMMISSION FORM 379 (5-58)

Question No. 171—**Mr. Benidickson:**

1. Why is unemployment insurance commission form U.I.C. 379 (5-58) marked "Printed in U.S.A."?
2. How many of these forms (approximately) are utilized on an annual basis by the U.I.C.?
3. Is there anything unique about this form that makes it undesirable or inefficient to have it printed in Canada?

Mr. Thrasher: Mr. Speaker, the answers are as follows:

1. In the operation of the punched card system in certain regions by the unemployment insurance commission a multiple form composed of two punched cards is used. These special multiple forms are not printed in Canada. It has therefore been necessary to have form U.I.C.379 (5-58) obtained from the Remington Rand Company in the United States. However, I am advised that a change in procedure is contemplated by the unemployment insurance commission, which will enable a single form card system to be adopted in due course. This will permit the required cards to be printed in Canada.

[Mr. Matheson.]

2. Approximately 800,000 forms are used annually.

3. See reply to No. 1 above.

*ROAD CONSTRUCTION TENDERS, BURNT CHURCH RESERVE, N.B.

Question No. 172—**Mr. McWilliam:**

1. Were invitations to tender issued for the construction of a road in the Burnt Church reserve, New Brunswick area at Tabusintac; and, if so, what are the names of all the persons asked to submit tenders on the first and/or the second invitation?
2. From whom were tenders received, and in what amounts?
3. Who was awarded the contract, and in what amount?

Mrs. Fairclough: Mr. Speaker, the answers to the three parts of this question include two relatively short tables. I wonder whether I could have the answer printed in *Hansard*.

Mr. Speaker: Has the minister leave to have her answer printed in *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: The answer referred to above is as follows:*]

1. Yes. Invitations to tender for the reconstruction of two miles of road on the Burnt Church Indian reserve were requested from the following:

1. Marcellin Roussell, Lower Neguac, N.B.; 2. White Construction Co. Ltd., Newcastle, N.B.; 3. A. G. Kenny Contractor, Bartibog Bridge, N.B.; 4. George Loggey, Lower Newcastle, N.B.; 5. Cleland Construction Ltd., Newcastle, N.B.; 6. McAllister Brothers, Newcastle, N.B.; 7. John Innis, Bartibog, N.B.; 8. James Russell Lumber Co., Ltd., Russellville, N.B.

2. The following tenders were received in the amounts indicated:

1. Marcellin Rousell, Lower Neguac, N.B. $6,500.00; 2. White Construction Co. Ltd., Newcastle, N.B. $7,092.00; 3. A. G. Kenny Contractor, Bartibog Bridge, $7,315.50; 4. George Loggey, Lower Newcastle, N.B. $7,815.50; 5. Cleland Construction Ltd., Newcastle, N.B. $8,450.00 6. McAllister Bros., Newcastle, N.B. $8,500.00; 7. John Innis, Bartibog Bridge, N.B. $8,550.00; 8. James Russell Lumber Co. Ltd., Russellville, N.B. $9,975.00.

3. The contract was awarded to Mr. A. G. Kenny of Bartibog Bridge, New Brunswick, in the amount of $7,315.50.

*SILENT TESTS ON WARNING SIRENS

Question No. 173—**Mr. Pitman:**

1. Is the army carrying on, daily, silent tests on all warning sirens to determine if sirens are, in fact, frozen; and, if so (a) were silent tests carried on in Peterborough from February 1 to

February 12 (b) on what dates (c) how many sirens were tested (d) how many were found frozen?

2. Is the Army carrying on any program to discover any indoor warning system; and, if so, when is it proposed that such a system might be available for general use?

Mr. Chambers: The answers are as follows:

1. The army does not carry out daily silent tests on all warning sirens.

(a) No.

(b) Tests were carried out January 29, 1962, and February 15, 1962.

(c) Five sirens were tested each date.

(d) One was frozen up on January 29, 1962. None were frozen up on February 15, 1962.

2. Examinations are being carried out on a number of indoor devices to ascertain the availability and suitability of each. It is not possible to forecast at this time when a decision would be reached on this matter.

*N.H.A.—LOANS FOR FALL-OUT SHELTERS

Question No. 174—**Mr. Pitman:**

1. How many persons have applied for loans under the provisions of the National Housing Act for the purpose of building a fall-out shelter?

2. What is the total amount borrowed for this purpose?

Mr. Walker: In answer to part 1, I may say that under the provisions for N.H.A. loans for new houses, loans to 62 borrowers included allowances for fall-out shelters to January 31, 1962. Under the home improvement loan provision of N.H.A., 44 loans were made for the construction of fall-out shelters to November 30, 1961.

The answer to part 2 is that it is not possible to provide the total amount borrowed for these particular purposes. It is known that the estimated costs of the fall-out shelters referred to above amounted to $74,873.

*SMALL BUSINESS LOANS

Question No. 175—**Mr. Pitman:**

1. What was the total amount of money lent under last session's Bill C-4 (Small Businesses Loans Act) in the year 1961?

2. How many loans were made during 1961 under the said act?

3. How many loans were made in amounts from (a) up to $500 (b) $500 to $1,000 (c) $1,000 to $5,000 (d) $5,000 to $10,000 (e) $10,000 to $15,000 (f) $15,000 to $20,000 (g) $20,000 to $25,000?

4. How many applications were (a) received (b) rejected?

5. What was the average amount of the loan made under the said act?

Mr. Fleming (Eglinton):

1. The total amount of money lent by the chartered banks to applicants for loans under the Small Businesses Loans Act in the year 1961 was $25,582,269.41.

2. 2,977.

3. Information not available.

4. Information not available.

5. $8,593.

TRANSPORTATION COMMISSION—EMPLOYMENT OF MR. HEAKES

Question No. 176—**Mr. Pitman:**

1. Was Mr. Heakes employed by the royal commission on transportation in 1960; and was any contract signed?

2. In what capacity were Mr. Heakes' services used, at what salary was he hired, and for what period of time was he to be employed?

3. How many extra days did Mr. Heakes report for work and hand in research material which was accepted by the commission?

4. Did Mr. Heakes demand any payment for additional work with the royal commission on transportation?

5. Was Mr. Heakes paid any additional sum for his work with the commission, and how much was he paid?

Answer by: **Mr. Diefenbaker:**

1. Mr. Heakes was engaged by the commission as an economic consultant in February, 1960. The terms of the engagement were recorded in an exchange of letters between him and Mr. E. P. Reid, the assistant director of research of the commission.

2. He was asked to undertake a short economic research project to assemble information for the staff of the commission. He was engaged for 10 days at $50 per day.

3. Mr. Heakes claimed to have done 18 additional days' work which cannot be verified since the terms of his engagement stipulated that he was to work elsewhere than in the offices of the commission. He submitted additional material which he said was prepared during this further period. This material was accepted by officers of the commission who told Mr. Heakes that they had no authority to pay him for more than 10 days work and that he could not be assured of any further payment for additional work done.

4. Yes.

5. Yes, $450.

C.M.H.C. BOARD OF DIRECTORS

Question No. 177—**Mr. Martin (Timmins):**

1. Who are the members of the board of directors of Central Mortgage and Housing Corporation?

2. When was each appointed, and when do their present terms expire?

3. What has each drawn in the years 1960 and 1961 in (a) salary (b) expenses?

4. How many meetings has the board held in those two years?

Answer by: **Mr. Walker:**

1. The members of the board of directors of Central Mortgage and Housing Corporation are as follows: Mr. Stewart Bates, Mr. P. S.

Secord, Mr. A. J. Boisclair, Mr. R. B. Bryce, Mrs. M. Campbell, Dr. A. F. Laidlaw, Brigadier N. D. Lambert, Mr. J. C. Miller, Mr. J. F. Parkinson, Maj. Gen. H. A. Young.

2. The dates on which each of the members of the board of directors were appointed and the dates on which their present terms of office expire are as follows:

	Date of Appointment	Date of Expiry
Mr. Stewart Bates	December 6, 1954	December 6, 1968
Mr. P. S. Secord	November 1, 1950	November 1, 1964
Mr. A. J. Boisclair	July 1, 1960	July 1, 1963
Mr. R. B. Bryce	March 8, 1955	Holds office during the pleasure of the governor in council
Mrs. M. Campbell	November 1, 1960	April 1, 1965
Dr. A. F. Laidlaw	April 1, 1959	April 1, 1965
Brig. N. D. Lambert	January 31, 1946	April 1, 1963
Mr. J. C. Miller	July 31, 1958	April 1, 1964
Mr. J. F. Parkinson	May 20, 1954	Holds office during the pleasure of the governor in council
Maj. Gen. H. A. Young	June 20, 1951	Holds office during the pleasure of the governor in council

3. The fees and expenses for the years 1960 and 1961 paid to each of the members of the board of directors for acting in the capacity of a director of the corporation are as follows:

	1960		1961	
	Fees	Expenses	Fees	Expenses
Mr. Stewart Bates	Nil	Nil	Nil	Nil
Mr. P. S. Secord	Nil	Nil	Nil	Nil
Mr. A. J. Boisclair	$300	$100.38	$750	$327.38
Mr. R. B. Bryce	Nil	Nil	Nil	Nil
Mrs. M. Campbell	Nil	Nil	$750	$96.95
Dr. A. F. Laidlaw	$1,350	Nil	$1,500	Nil
Brig. N. D. Lambert	$600	$1,402	$750	$1,714
Mr. J. C. Miller	$750	$919.20	$750	$995.35
Mr. J. F. Parkinson	Nil	Nil	Nil	Nil
Maj. Gen. H. A. Young	Nil	Nil	Nil	Nil

4. During 1960 and 1961, there were 10 meetings of the board of directors and an additional 28 meetings of the executive committee of the board of directors.

*VOCATIONAL AND TECHNICAL TRAINING PERSONNEL

Question No. 179—**Mr. McMillan:**

1. How many unemployed persons have taken technical and vocational training undertaken by the provinces on a cost sharing basis with the federal government?

2. How many such persons were so engaged at the last available date?

Mr. Thrasher:

1. 38,144.

2. 8,426 as at January 31, 1961.

*PROTESTS OF CIVIL SERVICE PENSIONERS

Question No. 180—**Mr. Fisher:**

1. Has the Minister of Finance received any protests in the last year from pensioners of the government who retired during or before the last war, whose pension totals are more than $3,000 a year, and therefore are unable to benefit by improvements in the pensions given to other pensioned civil servants of the same time?

2. If so, what reply, in substance, has the minister made to such protests?

Mr. Fleming (Eglinton):

1. No.

2. Not applicable.

*WAGE RATES, BUILDING TRADESMEN, PUBLIC BUILDINGS

Question No. 181—**Mr. Winch:**

1. Has the treasury board within the past twelve months laid down a government policy respecting wage rates for building tradesmen employed in the House of Commons, or any other federal public building in Canada, affecting those who were previously classified as prevailing rate employees?

2. Were former rates of wages previously based on the construction rates established in the local area by trade union agreement and contracts with employers?

3. Has there been in the past twelve months a ruling of the treasury board that those employed in federal government buildings in the category of electricians, steam fitters, carpenters, plumbers, machinists, etc., will now be paid on the prevailing rate in the local area as maintenance men although their responsibilities may include construction installation?

4. If such a recent ruling was made by the treasury board, does the said ruling apply to electricians, steam fitters, carpenters, plumbers, machinists, etc., employed on such projects controlled by the government as dockyards?

Mr. Fleming (Eglinton): 1. Building tradesmen employed in the House of Commons are not under treasury board jurisdiction. For tradesmen employed in other federal buildings in Canada, the treasury board decided that prevailing rate employees engaged on construction work would continue to receive rates paid for construction work outside the public service and that employees performing maintenance duties be granted wages paid for similar work outside the service.

2. Wage rates established by trade union agreement and contracts with employers were paid where these rates reflected the over-all prevailing wage rate in the area of employment.

3. As outlined in 1. To date no job specification for the class machinist has been issued.

4. The rate for tradesmen employed in government dockyards is the prevailing rate for similar tradesmen employed in the shipbuilding industry in the area of employment.

*R.C.M.P. TELEPHONE LINE TAPPING

Question No. 182—**Mr. Howard:**

Does the Royal Canadian Mounted Police engage in the practice of telephone line tapping or listen in on, or record, telephone conversations between people who are not members of the said force?

Mr. Browne (St. John's West): In accordance with long established policy I am declining to answer this question in the public interest. Questions such as this, and all others which have been asked regarding investigational procedures, could in due course, if answered, lead to disclosure of all methods which must necessarily be employed to protect the security of this country. Such revelations would be of great interest and value to groups within and outside Canada who have used conspiratorial methods to obtain Canadian information to which they are not entitled.

There should be no inference taken from my remarks and the form of my reply because such discussions, in whatever form they take, can only tend to imperil the difficult investigations which have to be carried out in the interests of our country. The policy of this government, and previous governments, has been to decline to answer such questions as not being in the interests of the public, and there is no intention of changing this policy.

Mr. Howard: The answer is obviously yes, then.

COMMUNIST CHINA—DISCUSSION OF FISHERIES EXPORTS

Question No. 185—**Mr. Howard:**

Since January 1, 1958, has the government or any agency, branch, department, or member thereof, proposed to or discussed with, the government or any representatives of the People's Republic of China the possibility of that country buying (a) dry salt herring, or (b) other fisheries products from Canada; and, if so, what resulted therefrom?

Answer by: **Mr. Morris:**

Since January 1, 1958 our trade commissioners in Hong Kong have kept the question of the sale of fish and fish products, particularly dried salt herring, under constant review and have made approaches to the China Resources Company and their associate company, Ng Fung Hong. In addition when our trade commissioners have visited the mainland they have raised this question directly with officials concerned.

On each occasion they have been told that there was no interest in the importation of Canadian fish or fish products.

INVESTIGATION, DOIG RIVER INDIAN SCHOOL

Question No. 186—**Mr. Howard:**

1. Since November 1, 1961, has any investigation been made into conditions of the Doig river Indian school; and, if so, what, in detail, was discovered as a result of that investigation?

2. If the investigation indicated that changes were necessary at the school, what steps have been taken to implement the said changes?

3. Was the said school closed for any period of time; and, if so, (a) between what dates, and for what reasons (b) what arrangements were made for the students at the school to continue their education during the period of the closure?

Answer by: **Mrs. Fairclough:**

1. Yes. Investigations into conditions of the Doig river Indian school were made by departmental officials. The department has also been informed that a committee of the Fort St. John and district chamber of commerce visited the school and reported that they found the school and teacherage reasonably adequate.

This school was constructed in 1950 to meet the immediate educational needs of Indians who had congregated about a store to form a settlement known as Petersons on the Beatton river. The school is not located on an Indian reserve but on land leased by the department. The school consists of a one classroom building and teacher's house

nearby. These facilities compare favourably with small non-Indian schools in remote areas.

A power plant was installed in 1960 and the school equipped with electric lights and an oil space heater. Water was obtained from a river some 50 yards away.

The investigation revealed that with the exception of pencils and certain cleaning materials there was an adequate quantity of school supplies. Although in the summer of 1961 a contract for the drilling of a well near the school was awarded, difficulty was experienced in commencing the operation.

2. The drilling of the well has now been completed and arrangements have been made for the purchase of pencils and cleaning materials locally.

3. (a) The Doig river school was never officially closed but on November 21, 1961, the teacher reported that he had been dismissed and had left the school.

(b) By letter dated December 9, 1961, the teacher was informed that he had not been dismissed. He was instructed to return to the school and to resume classroom instruction immediately. He returned to his duties on December 14, 1961.

MACKENZIE DISTRICT INDIANS—UNFULFILLED TREATY PROVISIONS

Question No. 187—**Mr. Howard:**

What action has been taken with respect to the recommendations of the commission of inquiry, appointed on June 25, 1959, to inquire generally into all matters arising out of unfulfilled provisions of treaties 8 and 11 as they applied to Indians of the Mackenzie district?

Answer by: **Mrs. Fairclough:**

The recommendations of the commission have been under study by an interdepartmental committee. This study is now completed and a report has been submitted to the government for consideration.

WOOD ISLAND HARBOUR ENTRANCE, P.E.I.

Question No. 188—**Mr. Pickersgill:**

1. Was a contract let to Eastern Enterprises to widen the entrance of Wood Island harbour, P.E.I.; and, if so, on what date?
2. On what date was the work contracted for to be completed?
3. Was a sub-contract let for the dredging; and, if so, to whom?
4. Have there been any delays in carrying out the dredging; and, if so, for what reason?
5. When is the dredging supposed to be completed?
6. What was the estimated cost of inspection services on this job?
7. What has been the actual cost to date?

Answer by: **Mr. Walker:**

1. Yes; on June 8, 1960.
2. February 8, 1962.
3. Yes; to Maritime Dredging Limited.
4. Yes; due to minor plant breakdowns and winter conditions.
5. An extension to June 30, 1962, has been approved.
6. $13,422.00.
7. On contract, $282,203.22; on inspection services, $10,531.70.

WHEAT SALES TO CHINA RESOURCES COMPANY

Question No. 189—**Mr. McIlraith:**

1. Has the Canadian government insured the credit risk or otherwise guaranteed payment to the Canadian wheat board for the wheat sold to the China Resources Company?
2. If so, by what statutory authority was such guarantee or credit arrangement made?

Answer by: **Mr. Harkness:**

1. This matter was covered by order in council P.C. 1961-1012 of July 13, 1961, which was reported to the house in the summary of orders in council passed that month, tabled on September 27, 1961. This order authorized the Minister of Finance to give the Canadian wheat board an undertaking that, in the event of any default by the China National Cereals, Oils and Foodstuffs Import and Export Corporation in respect of payments due the board under contracts for the sale of Canadian wheat and barley made under the long term agreement between the said board and the said corporation, such parliamentary approval as may be necessary will be sought to enable direct reimbursement by the government of Canada to the board of any payments in respect of which the corporation is in default, and authorized the minister also to guarantee to six chartered banks the repayment of advances and interest thereon made to the board up to a total not to exceed $100 million outstanding at any time for the purpose of financing the sale of up to 6 million long tons of Canadian wheat and barley under the long term agreement between the board and the corporation.

2. The guarantee was given under section 11 of the Canadian Wheat Board Act, and the authority to make the undertaking was given to use the powers vested in the crown by section 54 of the British North America Act.

POST OFFICE BUILDING, DRYDEN, ONT.

Question No. 191—**Mr. Benidickson:**

1. Has the Minister of Public Works received a request for a new post office for Dryden, Ontario?
2. Is the Department of Public Works planning an extension to the present post office building?
3. Is the department planning the construction of a new building in a new location; and, if so, what new location is being considered?

Answer by: **Mr. Walker:**

1. No.
2. No.
3. No.

*SALE OF GRAIN TO CHINA—GUARANTEE

Question No. 192—**Mr. Benidickson:**

1. Since May 2, 1961, has the government, with reference to the agreement for sale of grain to the China Resources Company, indicated to the Canadian wheat board that it is prepared to guarantee a sum greater than $50 million as the total credit that may be outstanding at any one time?

2. If so, what has been the highest amount of the guarantee since May 2, 1961?

3. What was the amount outstanding under the guarantee on (a) October 15, 1961 (b) November 15, 1961 (c) December 15, 1961 (d) January 15, 1962 (e) February 15, 1962?

Mr. Harkness: This answer is rather lengthy and contains a long list of figures. I wonder if it could be printed in *Hansard* without being read?

Mr. Pickersgill: Agreed.

[*Editor's note: The answer referred to above is as follows:*]

1. This matter was covered by order in council P.C. 1961-1012 of July 13, 1961, which was reported to the house in the summary of orders in council passed that month, tabled on September 27, 1961. This order authorized the Minister of Finance to give the Canadian wheat board an undertaking that, in the event of default by the China National Cereals, Oils and Foodstuffs Import and Export Corporation in respect of payments due the board under contract for the sale of Canadian wheat and barley made under the long term agreement between the said board and the said corporation, such parliamentary approval as may be necessary will be sought to enable direct reimbursement by the government of Canada to the board of any payments in respect of which the corporation is in default, and to guarantee to six chartered banks the repayment of advances and interest thereon made to the board, to a total not to exceed $100 million outstanding at any time, for the purpose of financing the sale of up to six million long tons of Canadian wheat and barley under the long term agreement between the board and the corporation.

2. February 20, 1962	$71,822,308.90
3. October 15, 1961	47,027,089.60
November 15, 1961	56,302,009.14
December 15, 1961	60,274,075.32
January 15, 1962	60,873,307.09
February 15, 1962	70,066,512.90

*SALE OF GRAIN TO CHINA—SHIPMENTS FROM PACIFIC PORTS

Question No. 194—**Mr. Benidickson:**

1. How many bushels of grain, sold under contracts with the China Resources Company, were shipped from January 1, 1961, to date from Canadian Pacific coastal ports?

2. How many bushels of grain, under the same contracts and for the same period, were shipped from other than Canadian Pacific coastal ports, and how many bushels from each of the said ports?

Questions

Mr. Harkness: Mr. Speaker, the answer to these two questions in combined form is as follows:

The following quantities of grain have been shipped during the period January 1, 1961 to February 21, 1962, under contract with the China National Cereals, Oils and Foodstuffs Import and Export Corporation and its accredited agent, the China Resources Company.

First, wheat from Pacific coast ports, 53,343,236 bushels; from St. Lawrence ports, 19,376,406 bushels; from Atlantic ports, 1,852,031 bushels, being a total of 74,571,673 bushels. Shipments of barley from Pacific coast ports entirely totalled 32,631,433 bushels.

I think I should add that of this total of 74 million-odd bushels of wheat, 31,727,421 bushels were for cash sales and 42,844,252 bushels were credit sales. For barley the same figures are cash sales, 12,694,500 bushels, and credit sales 19,936,933 bushels.

*CARRYING CHARGE, ACCUMULATED DEFICITS, 1957-61

Question No. 195—**Mr. Matheson:**

What is the carrying charge of the accumulated deficits 1957 to 1961 inclusive?

Mr. Fleming (Eglinton): Total budgetary deficits from April 1, 1957, to March 31, 1961, amounted to $1,401 million. Net interest payments in the fiscal year ended March 31, 1961 were 3.80 per cent of the net debt. Applying this interest rate to the accumulated deficit of $1,401 million indicates a carrying cost of $53.2 million.

*FRASER RIVER SURVEY, B.C.

Question No. 197—**Mr. Howard:**

Is any survey work being done by the Fraser river board along the upper reaches of the Fraser river in British Columbia; and, if so, (a) has this survey work covered the questions of the level of snowfall in those areas during the current winter, and the detrimental effect such snowfall might have upon possible floods in the lower Fraser valley this coming spring and summer (b) what has been discovered as a result of these surveys?

Mr. Dinsdale: The Fraser river board does not conduct snow surveys in the Fraser river basin. This work in British Columbia is carried out by the water rights branch of the provincial department of lands and forests. The comptroller of water rights issues a snow survey bulletin as of February 1, March 1, April 1, May 1, May 15, and June 1 of each year, giving the results of samplings. The February 1, 1962 bulletin indicates that the snow pack on the upper Fraser river watershed was above, to well above, average to that date in the various sampling courses.

Questions

*GOVERNMENT ANNUITIES ADVERTISING, U.S. MAGAZINES

Question No. 198—**Mr. Meunier:**

1. Is the Department of Labour running advertisements in American magazines on behalf of the annuities division; and, if so, in what magazines, and at what expense?
2. Has the department considered placing such advertisements in Canadian magazines to bolster this Canadian industry; and, if so, what conclusion was reached?

Mr. Thrasher: The answer to part 1 is yes. Advertisements appear in the Canadian editions of *Reader's Digest* and *Times* at a cost of $21,065. The answer to part 2 is yes. As a matter of regular policy annuities advertising is placed in Canadian magazines, and during the present fiscal year 12 Canadian magazines are being used.

*VISAS FOR EAST GERMAN SPORTS PARTICIPANTS

Question No. 199—**Mr. Winch:**

1. Is the clearing of visas to East German participants in international sports affairs a decision of the NATO powers; and, if so, what stand was taken by Canada in this arrival of policy?
2. Is there a definite understanding by NATO countries, agreed to by Canada, to ban the East Germans travelling in any part of the western world to compete in international sports events?
3. Is Canada making an official application for the right to hold the next winter olympics in our country; and, if so, will East German entrants be denied the right to participate?

Mr. Diefenbaker: 1 and 2. Under existing policy established as a result of the construction of the wall in Berlin last August, whereby the East German authorities put an end to the freedom of travel, temporary travel documents for East Germans are restricted to a few categories, mostly of a compassionate nature. These do not include those the Soviet authorities wish to send to international sporting events. In the circumstances, Canada concurred in these arrangements.

3. No, the next winter Olympics will be held in 1964 in Austria. With regard to the winter Olympics of 1968 it is hoped that an announcement will be made on this subject in the near future. The difficulties concerning the travel of East Germans have arisen as a result of the construction of the wall in Berlin last August whereby the authorities in the Soviet zone of Germany put an end to freedom of travel. We hope, however, that over the next six years progress will be made toward eliminating these difficulties.

*LAND EXPROPRIATIONS, SARNIA, ONT.

Question No. 200—**Mr. Godin:**

1. Are any expropriations taking place in Sarnia, Ontario, of land to be used by Polymer corporation; and, if so, what use is to be made of the land, and how many properties are involved?
2. Have any representations been received from persons that compensation is insufficient; and, if so, what replies have been made?

[Mr. Dinsdale.]

Mr. O'Hurley: At the time being there is no appropriation taking place in the city of Sarnia by the Polymer corporation. There is appropriation going on by the city of Sarnia, but there is no arrangement that this property is for the Polymer corporation.

*MR. RUSS GURR

Question No. 201—**Mr. Nixon:**

1. Has Mr. Russ Gurr of Brandon, Manitoba, been temporarily employed in any capacity by the Department of Northern Affairs and National Resources since January 1, 1961; and, if so, in what capacity, and at what remuneration?
2. Have any payments been made to Mr. Russ Gurr by the department in the same period; and, if so, in what amount, and for what purpose?

Mr. Dinsdale:

1. Yes, as a principal clerk at an annual salary rate of $4,620.

2. Yes, $1,924. Of this amount $1,540 was for salary and $384 for travelling expenses.

*CANADIAN CONSTITUTION AMENDMENT—CONSIDERATION BY LAW TEACHERS

Question No. 202—**Mr. Batten:**

Did the Minister of Justice send the draft bill entitled an act to provide for the amendment in Canada of the constitution of Canada to the association of Canadian law teachers for comment; and, if not, will the minister give consideration to taking this action?

Mr. Browne (St. John's West): The draft bill entitled "An act to provide for the amendment in Canada of the constitution of Canada" was not sent to the association of Canadian law teachers, but copies in English and in French were sent to the deans of all the law schools in Canada. Since the law teachers in Canada have thus been supplied with copies, there was no need to send copies to their association.

*ETOBICOKE TOWNSHIP, ONT.—HOUSING CONSTRUCTION

Question No. 203—**Mr. Hellyer:**

1. Is the government planning to build approximately 1,110 housing units as part of the federal-provincial housing scheme in Etobicoke township near Thistletown?
2. When was the land acquired by the federal-provincial partnership?
3. What is the reason for the delay?
4. When is it expected that construction will commence?

Mr. Walker:

1. The federal government and the government of Ontario jointly own approximately 500 acres of land in Etobicoke township near Thistletown. Negotiations are presently under way between C.M.H.C. and

the province of Ontario regarding the use of this land. The municipality of metropolitan Toronto has requested that 1,100 public housing units be constructed on this land. This proposal is now being investigated and preliminary planning is under way.

2. The various parcels of land making up the total area were deeded to C.M.H.C. on the following dates: February 5 and 15, 1954; March 4, 1954; June 4 and 23, 1954; December 15, 1955 and June 3, 1958.

3. There is no delay.

4. If it is decided to proceed, I hope that construction will commence within a year. Meanwhile planning is to be completed, necessary agreements signed and municipal trunk services made available.

*DISCUSSIONS WITH ICELAND RESPECTING TERRITORIAL WATERS

Question No. 205—**Mr. Howard:**

Since April 1, 1960, has the government of Canada, or any representative thereof, had any discussions with the government of Iceland, or any representative thereof, relating to the breadth of the territorial sea or proposals for the widening thereof.

Mr. Diefenbaker: Since the 1960 Geneva law of the sea conference the government has been in contact with a number of countries concerning this problem. For the reasons given in the house on February 7, it is impossible to be more specific at this time.

*APPROPRIATIONS FOR DREDGING, CAMPBELLTON-DALHOUSIE, N.B.

Question No. 208—**Mr. Michaud:**

Have moneys been appropriated for dredging at Campbellton and/or Dalhousie, New Brunswick; and, if so, in what amounts, and for what projects?

Mr. Walker: Provision has been made in the 1962-63 estimates, subject to the approval of parliament, for annual maintenance dredging in front of the deep water wharf at Campbellton, N.B. This will cost about $15,000.

No dredging has been planned at Dalhousie, N.B.

QUESTIONS PASSED AS ORDERS FOR RETURNS

*WINTER WORKS PROGRAM

Question No. 143—**Mr. Racine:**

Under the winter works program, with respect to each province and for the periods 1960-61 and 1961 to date (a) how many projects have been approved by the federal government (b) what is the actual or estimated cost of such projects (c) how many unemployed, registered as such with employment offices, have thereby been given work?

Mr. Thrasher: In view of the large amount of statistical information in the answers to several parts of this question, Mr. Speaker, I wonder whether the answer may be taken as read.

Mr. Speaker: If the answer is extremely voluminous perhaps the parliamentary secretary would ask that the question be made an order for return. I observe what look to be about half a dozen pages. We must have some respect for *Hansard*.

Mr. Thrasher: I ask that it be made an order for return.

Mr. Speaker: Order for return.

RECIPE BOOKS FOR BUFFALO STEAK

Question No. 161—**Mr. Herridge:**

1. Has the queen's printer issued a letter stating that recipe books for buffalo steak are available on application to him; and if so (a) how many such letters were sent (b) how many recipe books were printed (c) what is the total cost involved in printing and mailing the letters (d) what is the total cost of the recipe books (e) what is the amount of money expected to be realized by the sale of the recipe books?

2. Is buffalo meat available for sale; and, if so (a) where (b) what is the cost to the consumer (c) what was the price to the retailer (d) how many pounds of buffalo steak are for sale?

*CIVIL DEFENCE TRAINING PERSONNEL

Question No. 178—**Mr. McMillan:**

1. How many persons took the civil defence training course in Canada in 1961?

2. How many were so engaged at the last available date?

3. How many of this latter number were unemployed when their training started?

SALE OF OLD RAILS BY C.N.R.

Question No. 196—**Mr. Brassard (Lapointe):**

1. Between September 1, 1957, and September 1, 1961, has any department or minister of the government exchanged any correspondence with J. P. Boisjoly Industries Limitée concerning the acquisition by the said company of old rails belonging to the Canadian National Railways located at Ste. Philomene in the county of Chateauguay; and, if so, which department or minister?

2. Have any of the departments or ministers of the government exchanged any correspondence in this connection; and, if so, which departments or ministers, and what were the terms of the letters sent by the departments concerned?

BUSINESS OF THE HOUSE

PROCEDURE RESPECTING QUESTIONS ON ORDER PAPER

Hon. Gordon Churchill (Minister of Veterans Affairs): On a point of order, I should like to direct the attention of hon. members to the questions we have had today, of which there were 64 on the order paper, 43 of that number being starred questions. This session the rules have been altered and we have reverted to the practice which was customary in the house several years ago, of questions

being called on Monday and Wednesday and answered as we have just been doing.

During the last several sessions that practice was discontinued. The questions were not called, and the answers appeared at the back of *Hansard*. This year we reverted to the old practice so that the answers now appear at the front of *Hansard*. Consequently the need for starred questions is not as essential as it was during the last few years when by means of the starred question on Wednesdays a member would get his question answered and the answer would appear at the beginning of *Hansard*.

I would just ask hon. members to consider when placing questions on the order paper whether they really want them to be starred. Today we had three starred questions the answers to which were very long, and a request was made that they should be printed without being read in full.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I feel the occasions are rare enough when I can agree with the leader of the house, but I was a member of the committee on the rules which recommended that this change be made at this session, and I quite agree with the leader of the house that questions which elicit lengthy information might better not be starred, now that we know the information will be available in the front of *Hansard* anyway.

Mr. Frank Howard (Skeena): Rising on what purports to be a point of order raised by the Minister of Veterans Affairs, may I bring to your notice that surely, inasmuch as starred questions are still recognized as being in order under our amended rules, it is within the discretion of the individual member to decide whether or not he wants to put an asterisk beside his question.

Mr. Churchill: I did not question that at all.

Mr. Howard: Then why did you rise on a point of order?

Mr. Churchill: There was no other way of raising the matter.

Mr. Speaker: Before the orders of the day are called it is customary to deal with matters affecting the business of the house, and I think the discussion was in order. It is not a question of right, of course; it is a question of practice, and hon. members have expressed their views.

NATIONAL DEFENCE

USE OF NUCLEAR WEAPONS IN EVENT OF WAR

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister whether he would care to comment on a press report to the effect that he indicated in Edmonton on Saturday last that if war broke out Canadian forces would be armed with nuclear weapons.

Right Hon. J. G. Diefenbaker (Prime Minister): The statement I made the other day in no way represented a change of viewpoint on the part of the government of this country, and I hope the Leader of the Opposition would agree that if war came, should nuclear weapons be used against us Canadian troops participating should not be denied the right to use nuclear weapons.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: What I stated was but a repetition of what has been said on previous occasions. I would simply refer the house to what I stated on November 24, 1960, when speaking to the Canadian club of Ottawa; on August 15, 1961, when speaking in Halifax to the Canadian Weekly Newspapers Association; and again, on October 6, 1961 when Dr. Thomson and those associated with him in the Canadian committee for the control of radiation hazards made representations to the government.

We take the stand that in the interests of disarmament everything must be done to assure success if it can be attained, and that the nuclear family should not be increased so long as there is any possibility of disarmament among the nations of the world. That has been our view throughout; that was the reason for our vote on the Swedish resolution which came before the United Nations.

Mr. Pearson: In view of what the Prime Minister has said, to the effect that nuclear arms would be in the hands of Canadian forces if war broke out and nuclear arms were used against them—I think I am right in my interpretation of what the right hon. gentleman said—may I ask whether such weapons would be in the hands of Canadian forces before the outbreak of war?

Mr. Diefenbaker: I referred to the outbreak of war and said that in the event that nuclear war was launched, nuclear weapons should be placed in the possession of Canadians.

Hon. Paul Martin (Essex East): May I ask a supplementary question. Could these weapons be used without the approval of the United States authorities?

Mr. Diefenbaker: Our views in that regard were set forth at length in February, 1959. At that time I said—and I am simply summarizing the remarks I made in the house—that in the event we should decide to make nuclear weapons available it would be necessary to have joint control on the part of Canada and

the United States. That attitude, of course, has not been generally accepted. If I understand the Leader of the Opposition aright, some weeks ago he took the stand that he objected at any time to joint control, but he would be willing to have the United States store nuclear warheads in Canada.

That view we have never held. Our view is that at the moment this is hypothetical and will continue to be so as long as disarmament is to the fore. But should it be decided in the light of Canadian armament needs and defence responsibility that nuclear weapons are to be had at any time, joint control is of the essence of the stand we have taken.

Mr. Pearson: It is not possible, of course, in a question to remove the misunderstanding which the Prime Minister has created about my position in this matter. I ask the Prime Minister, therefore, this question. In view of the constitutional position of the United States, and in view of recent statements of the President of that country, how does the Prime Minister propose to bring about this joint control?

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman knows very well that so long as the law of the United States is as it is at present, joint control is impossible.

Mr. Pearson: Then we cannot have the weapons.

Mr. Diefenbaker: What I have stated is exactly the position of affairs. We have stated that until the United States makes joint control available, we do not intend to go further than we have unless war breaks out, at which time we hope to have available to Canadians the necessary nuclear weapons. That is much clearer than the evasive policy of the Leader of the Opposition.

Mr. Pearson: In view of the Prime Minister's recognition of the constitutional difficulty, and in view of what he has just said about the necessity for joint control irrespective of that constitutional difficulty, how then is the Prime Minister going to ensure that nuclear weapons are in the hands of Canadian forces if war breaks out?

Mr. Speaker: There has been a substantial exchange on this—

Mr. Pearson: It is an important matter.

Mr. Speaker: —important matter. If it cannot be clarified in five supplementary questions I think it might better be deferred to be the subject of a debate.

Inquiries of the Ministry

EXTERNAL AFFAIRS

EAST GERMANY—STATEMENT BY U.K. FOREIGN SECRETARY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address an important question to the Prime Minister, as one leader to another. In view of the report in the *Globe and Mail* of February 26 to the effect that Britain's foreign secretary has stated his desire to arrive at a *modus vivendi* with the East German regime, would the Prime Minister inform the house whether the Canadian government will second this hopeful endeavour to lessen tensions in central Europe?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as one leader to another may I thank the hon. gentleman for having given me notice of this question in order to permit of a full and complete answer. I have seen only press reports of what Lord Home is alleged to have said about the problem of Berlin. The hon. member will appreciate that it is difficult for me to attempt to answer his question on the basis of such reports.

However, as has been said on other occasions, the Canadian government has consistently taken the stand that allied troops should remain in West Berlin as guarantors of the freedom of the people of West Berlin. Our assessment coincides with the British foreign secretary's statement that the Soviet union would like to obtain some degree of recognition of the regime it has created in East Germany. It will be the task of the west in the months ahead to seek through negotiation the achievement of the Latin expression which the hon. gentleman used, a *modus vivendi* which will respect the essential interests both of the west and of the U.S.S.R. in the Berlin problem. The Canadian government will do everything possible to assist in the fulfillment of this task.

PEACE RESEARCH INSTITUTE—INQUIRY AS TO GOVERNMENT SUPPORT

On the orders of the day:

Mr. Walter Pitman (Peterborough): Mr. Speaker, I wish to address a question to the Minister of National Defence arising out of a Canadian Press report of a press conference at which the minister was asked whether he would lend either financial or moral support to any peace research institute, to which he was reported to reply "I don't plan looking into it". Could the minister say whether this is a true statement of the attitude of

the government in regard to the peace research institute now being organized?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I think my actual reply to that question was that there are a large number of organizations in this and other countries whose avowed purpose is the pursuit of peace, and I thought they should pursue their activities without the Department of National Defence taking any active part therein.

LABOUR CONDITIONS

ANNOUNCEMENT OF EXTENSION OF WINTER WORKS PROGRAM

On the orders of the day:

Mr. M. D. Morton (Davenport): Mr. Speaker, I wish to direct a question to the Minister of Labour. Can the minister advise whether he has received a report from the clerk of the city of Toronto advising that the city council has asked that the federal government extend the municipal winter works incentive program from April 30 to May 31 because of the severe cold weather which has been experienced, and because several projects in the 1961-62 program may not be completed by that date? If so, what decision has the government made on this matter?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I did receive a letter dated February 13 requesting that the government consider extending the municipal winter works program from April 30 to May 31 of this year, in view of the severe cold weather and heavy snowfalls as a result of which many of these projects could not be carried on. It has been decided to extend this date to May 31, and all the provinces will be so advised.

TRANS-CANADA AIR LINES

REQUEST FOR REVIEW OF ANNOUNCED FARE INCREASES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of Transport a question relating to the announcement of T.C.A. that substantial fare increases will take effect on April 1. In view of the announcement of the president of T.C.A. that this increase raise is to meet a deficit, and his previous evidence that such deficits resulted from franchise extensions given C.P.A. two years ago, has the minister given consideration to a review of this apparently destructive competition?

[Mr. Pitman.]

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, while I do not accept all of the premises in my hon. friend's question, my answer is no.

Mr. Fisher: A supplementary question. Has the government yet had before it for approval the fare increases referred to?

Mr. Balcer: Mr. Speaker, this is a matter for the management of T.C.A.'s decision.

Mr. Fisher: A further supplementary question. Does the minister's answer indicate there will be no review of this fare increase by the minister and the government?

Mr. Balcer: Mr. Speaker, this is an internal decision of the board of directors of T.C.A. Of course the annual report of T.C.A. and its budget for 1962 will be reviewed by the standing committee that reviews the affairs of the C.N.R. and T.C.A. These documents will be the subject of inquiry on the part of all hon. members of that committee.

CROP INSURANCE

STATEMENT ON CONSULTATIONS RESPECTING REINSURANCE OF LOSSES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, on Friday last, as reported at page 1195 of *Hansard*, the hon. member for Assiniboia asked the following question:

> As an encouragement to the provinces to make greater use of the Crop Insurance Act, can the Prime Minister say whether consultations have been held between officials of the federal Department of Agriculture and the provincial departments of agriculture to discuss the question of reinsurance of losses under the Crop Insurance Act?

Proposals concerning reinsurance of losses under the Crop Insurance Act have been received by the Department of Agriculture from the governments of the provinces of Manitoba and Saskatchewan. Discussions up to the present time have been between officials on an informal basis.

TRADE

WHEAT—REQUEST FOR COMMENT ON GATT DISCUSSIONS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I am not sure whether I should address this question to the Minister of Finance or the Minister of Trade and Commerce, but perhaps the appropriate minister might care to comment on discussions which are reported to have taken place at GATT in Geneva last week on a new

world wheat arrangement, and which are reported to have been adjourned last week in disagreement.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I think the Leader of the Opposition should have a third string to his bow, because he is talking about wheat and that is a question for the Minister of Agriculture. As far as GATT is concerned, seeing that the hon. gentleman is asking about negotiations at Geneva concerning wheat, that question will be answered in due course on behalf of the Minister of Agriculture.

FLOODS

FRASER VALLEY, B.C.—INQUIRY AS TO CONSULTATIONS TO AVERT DAMAGE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of Northern Affairs and National Resources arising out of his answer to question No. 197, to the effect that the controller of water rights for the province of British Columbia indicated that as of February 1, 1962 the snow pack on the upper Fraser was average to above average for that date. Has the province of British Columbia been in consultation with the minister's department with respect to joint participation in a program to avert the possibility of damage in the lower Fraser valley in the spring months?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, the answer is no.

COMBINES

DRUGS—STATEMENT AS TO TABLING OF REPORT

On the orders of the day:

Hon. W. J. Browne (Acting Minister of Justice): Mr. Speaker, on Wednesday, February 21 the hon. member for Skeena directed a question to the Minister of Justice asking whether the minister could indicate when he might be in a position to table the report of the restrictive trade practices commission relating to the pricing and selling policies of certain pharmaceutical houses. I now have the reply as follows.

I have had inquiries made as to when the report of the restrictive trade practices commission is likely to be received, and am advised that while the matter is being pressed forward with all possible dispatch, it is likely to be some time yet before the report is made.

IMMIGRATION

EFFECT OF NEW REGULATIONS ON ENTRY OF ORIENTALS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Minister of Citizenship and Immigration whether she has any information on the case revealed in the Winnipeg *Free Press* of Saturday, wherein a Canadian citizen of Chinese origin charges that the new regulations as now applied have absolutely no effect in changing the role of orientals wishing to come to Canada.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I have not seen the article referred to, Mr. Speaker. However, if it is as quoted, the information contained therein is erroneous.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to put a question to the Minister of Citizenship and Immigration. Can she tell us offhand now or give the information later as to how many Chinese unrelated to Canadian citizens of Chinese origin have been admitted to Canada under the new regulations?

An hon. Member: Order paper.

Mrs. Fairclough: I am sure the hon. member does not expect a reply to that question, Mr. Speaker. He has had sufficient experience in this department to know full well that it takes longer than from February 1 to February 26 to process an application.

SUPPLY

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee of supply.

ALLEGED LACK OF ECONOMIC GROWTH

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, this is a traditional opportunity for those of us in opposition to raise some matters of great importance dealing with the Canadian economy. I therefore take that opportunity today in order to deal with what will be the theme in the next election and what is the greatest issue before the people today. The Prime Minister has suggested several possible themes for the next general election such as free enterprise versus socialism, senate reform and things of that nature. This is, of course, an attempt to blur and becloud the basic issues before the country, in an attempt to divert people's attention from the shortcomings of this government in meeting emerging problems.

Alleged Lack of Economic Growth

I cannot during this debate discuss all the essential problems such as social security and national unity which will have to be faced and solved soon. Apart from the threat to world peace, however, the paramount issue is the lack of economic growth, the nation's nearly stagnant economy. Without adequate and planned growth a relatively large number of our Canadian workers will remain unemployed, the farmers will accumulate surpluses, private enterprise will continue in hesitancy; municipalities will deteriorate through being unable to improve their local services, and other levels of government will find it increasingly difficult to extend our social security system to other areas of collective risks. In other words, economic growth is essential not only to a rising standard of living but also to the progress and improvement of all the other aspects of our national life.

Economic growth therefore must be the key domestic issue of the next general election. In the economic debate that has taken place in Canada in recent years the Liberal party has taken and is taking a realistic and responsible attitude. We are saying that the Canadian economy has not grown as it should have grown since 1957, and that the government has failed to take appropriate action to correct the situation. We in contrast are putting forward a concrete program to promote rapid and balanced growth.

What is the attitude of this Conservative government? They make the preposterous claim that the Liberal party is selling Canada short when it underlines the lack of economic growth. They say that Canadians never had it so good, and they apparently do not propose to do anything except to publicize their meagre accomplishments. This charge that we on this side are selling Canada short reminds me of another economic debate which took place during the last presidential campaign in the United States, and of Mr. Nixon's position in that debate as described by Meg Greenfield in an article entitled "The Prose of Richard M. Nixon" which appeared in *The Reporter* on September 29, 1960. This is what she had to say:

> The identification of his opponents with communism is generally considered to be a chapter from Nixon's past. In not very subtle ways, however, he has managed to assert throughout the last two years that those who have criticized him or the Eisenhower administration or the Republican party on matters ranging from the economy to national defence have not in fact attacked those policies but have attacked America itself. The implication is either that they have suggested we adopt a communist system, or, when this won't do, that they have not criticized a policy but a basic American institution. "It's time to stop selling America short" appears to be the grand theme of his campaign for the presidency, suggesting as it does some unspecific deficiency of patriotism in his opponents.

That surely has a familiar ring to hon. members of this house. I am quite sure that the tactics used by Mr. Nixon in the United States will not be more successful in Canada, as Canadians know too well their own economic difficulties to accept the rosy picture that the Conservatives are attempting to present to them.

Let us now look at the facts, Mr. Speaker. I might remind hon. members, if they do not choose to listen, that I am in that rather special category in which I have all day to speak.

Some hon. Members: Oh, oh.

Mr. Grafftey: Oh, no; have mercy on us.

Mr. Speaker: Order. The hon. member has indicated her proper position when she says she has all day to speak. I trust that those who are listening will give their early attention to what she has to say.

Miss LaMarsh: Let us look at the facts, Mr. Speaker. The Conservatives claim that our economic troubles are over simply because the Canadian economy is going through another cyclical upswing in business. There is nothing exceptional about the present recovery. It is due to the normal pattern of change in inventories, and is just another phase of the short cycle.

In March, 1961 my leader was the first in this house to say that the 1960 recession was over because the process of inventory liquidation was then completed. In the latter part of 1961 economic conditions began to improve, and several experts forecast an increase of about 6 per cent in the gross national product at market prices for 1962. This increase would be about the same as that in 1959, when unemployment remained at an average rate of 6 per cent. This is certainly nothing to boast about for a period of peak activity.

Indeed, the experts also predict that another recession will begin at the end of 1962 or at the beginning of 1963. Again this is the normal pattern of the short cycle. Recessions tend to appear every three years: in 1954, in 1957, and in 1960. It is quite normal, therefore, to expect the beginning of another one during the next fiscal year. I suggest, Mr. Speaker, that this is the appropriate time for the government to anticipate such an unfortunate event and prepare plans now to cope with it before it comes. This is exactly what President Kennedy is doing in the United States.

The Leader of the Opposition, it may be recalled, made the same suggestion to the government on April 12, 1960, in this house

when he warned that the Canadian economy was on the eve of another recession. The government did not accept his warning then, and it blindly refused to plan accordingly. As a matter of fact, here is what the Minister of Finance had to say at that time as found at page 3167 of *Hansard* of April 12, 1960:

> The Leader of the Opposition was so anxious this afternoon to get everybody talking recession with him that he was in effect asking the Minister of Finance what preparations he was making for the next recession. The best preparation that can be made for the next recession is to continue the present government in office.

He continued:

> That is the surest guarantee of avoiding a recession.

The Minister of Finance was wrong again. The recession began during the second quarter of 1960, but the government did not even recognize its existence before the very end of that year. It did not recognize the problem of increasing unemployment. As a matter of fact one of the ministers of the crown, as I recall, said that it would melt with the snow.

Mr. Pickersgill: The Minister of Finance.

Miss LaMarsh: Furthermore, the government even avoided the use of the word in the throne speech debate of November, 1960. I hope that same mistake will not be made this time, and that the Minister of Finance will be realistic enough to anticipate this new danger and act accordingly. I hope that this time he will do more than just sit passively and watch it happen.

Moreover, this current recovery is not without its weaknesses. I do not see how we can be satisfied with the present economic situation when, at a cyclical peak, the rate of unemployment is 8.5 per cent, and when this very poor result has been obtained because of our labour force remaining stable, a factor which is quite abnormal. I have been truly shocked since the opening of this parliament to see the self-satisfaction of the government over the problem of unemployment, as though the problem no longer existed, although almost half a million Canadians still remain unemployed.

The condition of Canadian agriculture is certainly not bright. The dairy industry, which is so important in eastern Canada, is in deep difficulties. This can best be illustrated by the tremendous butter surplus that has been accumulating in recent years. There were widespread rumours last year that the government would announce a new policy, but as usual it has not dared to come to grips with the issue. The Prime Minister has announced instead that the dairy industry will have to wait until May for a policy statement. Meanwhile it has to live under conditions of complete uncertainty as to its immediate future.

In the prairie provinces, Mr. Speaker, net farm income declined by about 45 per cent in 1961 compared with 1960, according to the most recent figures published by the dominion bureau of statistics. This tragic decline was caused by the reduction in production of grain crops in 1961 brought about by the terrible losses of last summer's drought, and the consequent drop in the year end inventories of grain on farms. We are also told that the outlook for 1962 is not very bright because of a lack of soil moisture, and that the supplies as at January 1 of this year were 465.3 million bushels compared with 745.9 million last year. Our wheat surplus may soon be completely eliminated, but it will not be to the advantage of Canadian wheat producers. We are committed to new sales abroad at a time when we may not be able to produce enough to fulfil our traditional commitments.

The current mild and temporary recovery reveals the more fundamental weaknesses of the Canadian economy. When we look at our long term situation it becomes evident that since 1956 our economy has simply failed to grow. This lack of growth appears clearly when we compare recent figures with the previous period and with the requirements of full employment. You say, what is the evidence? From 1950 to 1956 the average annual increase in our gross national product in constant dollars was 6 per cent. From 1957 to 1961 it has been 1.5 per cent. In 1956, compared with 1950, the volume of our gross national product on a per capita basis had increased by 22 per cent; but in 1961, compared with 1956, it had declined by more than 4 per cent.

From 1950 to 1957 total capital expenditures in constant dollars increased by 62 per cent, but since 1957 they have declined by 12 per cent. During these last self-same five years business capital expenditures in constant dollars have declined by almost 25 per cent. From 1950 to 1956 the average rate of unemployment was 3 per cent. Since 1957 it has exceeded 6 per cent. The average level of unemployment in 1961 was the highest in the post-war period, 7.2 per cent, in spite of the fact that net immigration estimated at 13,000—that is, only 13,000 more people coming into the country than those going out of it—was at its lowest post-war level.

Those are the basic facts which describe the long term situation of the Canadian economy. It is not a rosy picture, but it is

a true picture. This is not glooming and dooming; this is a responsible discussion of the facts.

There are two other important aspects of this situation which must be mentioned. First, our export trade which is so vital to us is going through a revolutionary period. More than 50 per cent of the increase in our trade went to communist countries in the first nine months of 1961. This is a new but very unstable trade diversion. No one can tell how long such markets will continue. Moreover, the emergence of new trade blocs represents a challenge which the government is still refusing to face. The government, rather than embracing the idea of such potentially great trade developments, has hung back and consistently played the obstructionist. Second, it has been estimated that we will have to have one million additional new jobs in Canada during the first half of the 1960's in order to achieve reasonable levels of employment.

Since the present government came into office our economy has slowed down. While the government lauds itself because more people are employed, it suppresses any real discussion of the fact that we are barely holding our own and creating nowhere near sufficient jobs to take care of the present, much less the future. The government would have us believe that they are doing everything possible to alleviate unemployment, and that since nothing more can be done the whole matter might better be ignored. It has attempted to fix responsibility for this situation upon us, upon a prior administration. Who can forget the biggest single group in Canada who were suddenly thrust out of work in 1958 at the instance of this government, that skilled technical team at Malton building the Arrow and the Orenda engine, some 16,000 Canadians who at one blow were placed out of work? With that same blow Canada suffered the loss of a complex of highly skilled people such as we had never before put together and may never again. The government cast them away. Most of them left for the United States, which realizes the necessity for the development of such a force of scientists and technicians. This is what an editorial in the February issue of *Aircraft* magazine has to say, speaking of a young man who was part of the Avro team:

> James Chamberlin is a Canadian now living and working in the United States. It is ironical that three years after his departure from Canada his name may become nationally known. It is possible that with an election approaching the case of Jim Chamberlin may become a *cause celebre*, for he is a symbol of the growing export of brains that Canada has supplied to the United States in the last few years.

[Miss LaMarsh.]

> Mr. Chamberlin has recently been named by NASA as project manager for project Gemini. Project Gemini is the next major man in space project by the United States and involves putting two men in orbit in separate capsules which will rendezvous while in orbit. The fact that a man who has not even been in the United States long enough to qualify for citizenship would be assigned by NASA to manage a project which means so much to U.S. international prestige is an indication of the high regard with which he is held in U.S. scientific and engineering circles. Too bad Canada couldn't have held Jim Chamberlin and others like him.

When the Prime Minister asks, as he did in the past few days, whether we are to fight the next world war with bows and arrows, the people of the country at least know, even if they do not know whether a Bomarc without a warhead is equivalent to an unstrung bow, that we will not be fighting with Arrows, and they know who are responsible for that.

The cost to Canadians of the slowdown in our economic pace is $14 billion. That is the difference between our actual production in the last four and a half years and the production we would have had if the economic growth of previous years had continued. The cost is nearly $800 worth of goods and services for every person in the country. The cost for a family of four is over $3,000, and the loss has been getting bigger every year. In 1961 alone it was about $5 billion, that is $100 million a week or nearly $600,000 for every hour of the day and $10,000 for every minute. Worse still, the slowdown means a loss of 300,000 jobs for Canadians, extra jobs which would now exist if economic growth in this country had continued since 1957 as it was before.

Third, then, Mr. Speaker, the fiscal and monetary policies of this government have done nothing to assist and, indeed, much to harm economic development. May I quote from an editorial in the Winnipeg *Free Press* of February 22, 1962:

> In Toronto, the citadel of the Conservative party, the *Globe and Mail* demands an early budget and a full disclosure of the financial facts both for the enlightenment of the Canadian people and for the reassurance of foreigners since "in the last year or so Canada's credit and standing abroad have deteriorated. The heavy national deficit, the long delay in bringing down the 1961 budget, and the rancorous quarrel between the government and the former governor of the Bank of Canada, Mr. James Coyne, have created doubts about our financial responsibility." Lacking an early budget, says the *Globe and Mail*, "the result could be a sharp decline in much needed foreign investment."

Those are strong words from a government supporter but the Montreal *Gazette*, Canada's oldest and most reliable Conservative organ, appears to be more alarmed than its Toronto contemporary. It says:

> The present situation, when both federal and provincial governments are running up deficits and

debts cannot continue ... Obviously everybody cannot go on spending above revenues indefinitely without the day of reckoning being terribly cruel.

These, then, are the costs of Canada's wasted years; the years of Tory talk instead of action, of mismanagement instead of purposeful government. As I said before, economic growth will be the key domestic issue during the next election campaign. This time the Conservatives will be judged not on a vision but on their record, a record of wasted years as compared with the period of progress and development during the former Liberal administration.

In contrast, we on this side of the house are presenting an over-all program designed to meet the new problems and the changes which have recently emerged. We recommend a new and freer trade policy. The Leader of the Opposition, Mr. Speaker, has been in the forefront of those proposing new trade alliances in free trade areas such as the Atlantic community. We have, in addition, special programs to help those domestic industries which will have to adjust to freer trade. There are many such which have been undertaken in the various E.C.M. countries.

If I may, I should like to cite some of the procedures which are used in the various countries. I should like to point out that we are well aware of the fact that freer trade might have an adverse effect on some of our domestic industries, but that same fear was widespread in European countries and did not materialize. The governments of those countries applied some differing types of solutions through their budgets and through governmental action to adjust their domestic industries to this new trading community.

In Italy, Mr. Speaker, there is something called the fund for the south, which grants credits to small and medium sized industries for construction of new plants and modernization of existing ones. These loans bear 3 per cent interest for 15 years and cover 70 per cent of the cost of the project. Most hon. members will know that the southern part of Italy is much less developed than the northern and more industrialized part. Tax concessions in that country are allowed on investments in specific areas including exemptions of income tax, turnover tax, corporate tax, registration and mortgage taxes. Material and machinery in these regions are exempted from customs duties. An exemption from corporate income tax on a maximum of 50 per cent of corporate profits is granted, provided the tax exempt portion is used for new investment or to reactivate industrial plants. Municipal governments may grant exemption from all or part of taxes, such as commodity tax, consumption and land taxes, due to them up to August, 1967. Lands required for new industries may be expropriated and made available at their agricultural rather than their industrial value.

In the Netherlands certain regions have been designated as development areas. Special provisions apply to investments in these localities. Subsidies based on additional useful floor area of new factories provide up to one half the cost of purchasing industrial sites. To qualify an entrepreneur must agree in principle to employ a specified number of male employees. Up to one third of the cost of equipment can be written off at an accelerated rate. A company is allowed to deduct in any one year losses sustained in the six preceding years, and new industries may carry forward losses until they are completely absorbed by subsequent profits.

In Luxembourg the minister of finance is vested with power to extend substantial reductions in tax rates in order to attract new industries. Incentives take the form of accelerated depreciation, loans at low interest rates, direct subsidies for underindustrialized areas to promote the building of new plants, and lease-purchase schemes for industrial buildings.

In France, Mr. Speaker, some of these procedures were used. During the post-war period two modernization and equipment plans have been implemented. A third one is to become operative this year. Under it accelerated depreciation is allowed on a specific range of assets required for updating French plants. Companies can charge against taxable income the full amount of investment in companies and associations approved by the government whose functions are to assist members in modernization. Expenditure on scientific research is encouraged by an initial depreciation allowance of 50 per cent, and contributions to scientific organizations are allowable up to 2 per cent of turnover.

In Belgium state loans at reduced rates of interest are made available to industry through approved credit organizations, which in turn receive state subsidies and guarantees. Government built factories are sold or leased back to industries. Such locations are exempt from real estate taxes for five years. About 30 per cent of investments in industrial land, buildings and equipment can be written off against corporate taxes over three years. The capital gains tax does not apply to returns on investment in development areas.

In Germany most of the aid to distressed areas applies only to Berlin. However, enterprises situated on or near the eastern frontier are granted accelerated depreciation.

In Greece, an associate member of the E.C.M., price advantages of up to 8 per cent

in bidding for government contracts, reduction in turnover taxes, exemption from custom taxes on machinery, are all available to companies operating in designated areas. Net profits destined for reinvestment in business attract a 40 per cent to 80 per cent tax exemptions.

These, then, are only some of the ways in which government has assisted in the E.C.M. countries.

Mr. Morton: May I ask the hon. lady a question? Would she indicate to the house in what period of time these inducements were given to industry, what year?

Miss LaMarsh: They have been given in various years since the beginning of the E.C.M. up to the present, and in different countries they have different periods of time relating to different industries.

In addition, this party has a program for regional recovery. We propose to set up an agency of the federal government which will be charged with the rehabilitation of problem areas. We of the Liberal party feel that to meet today's needs it is necessary to establish a Canadian standard of development opportunity. A new Liberal government will end the situation in which some Canadians have much poorer opportunities than others because they happen to live in areas whose resources have never been developed or whose industries are declining.

This agency will be responsible to one minister. It will identify the areas where a special thrust for development is needed, and suggest effective action programs. These programs will be examined with the provinces and the municipalities, with the industries concerned, with the federal departments and with local representatives. The programs will be backed by good administration, as well as by the necessary money.

Liberal action to meet the special requirements of development areas means capital grants for basic development projects such as roads, power generation and transmission, and other public investments. It means that private industry will be helped to get things moving, and in that regard tax incentives will be offered to companies which expand or modernize their operations, or which start new industries in the development areas. It means such things as federal public works programs. It means a municipal loan fund to provide capital for municipal works and services. It means that we will assist or aid in urban renewal and rural development and will make more capital available for clearing slums, for improving farmland, for reforestation, for development of recreational and tourist areas and for improving rural housing. Federal government purchases will help firms in the development areas, and the Liberal program for vocational training will be particularly designed to help workers displaced from declining industries so they can more easily move to new or expanding industries close to home.

In addition to all this a new Liberal government will provide an industrial development bank to operate as a vigorous agency for Canadian development. Another proposal which we have set forward is that dealing with urban redevelopment and the municipal loan fund, to which I have just made reference. A municipal loan fund is something which this country has long desired. It is understood by the Liberal party that one does deal from the federal government to the municipal governments, that they are the creatures of the provinces and must be dealt with through the provincial governments. However, our answer is to set up a municipal loan fund, and we believe that fund should be organized in consultation with the provinces and municipal representatives so that it will not conflict with existing sources of capital. It will provide loans for sound municipal improvements, of which provincial governments approve but for which capital is unobtainable at reasonable terms from existing Canadian sources. These loans will mean that municipalities can meet our great backlog of municipal requirements. They will create new jobs all across Canada and help to get our economy moving again on sound projects.

In so far as urban renewal and urban redevelopment are concerned, all hon. members know that many of our big cities need special development measures. They have slum areas where overcrowding and poor housing breed ill health, family tension, crime and juvenile delinquency; where perhaps adults now cannot live well and children cannot get a proper start on the road to good citizenship. We believe that no Canadian family should have to live in those conditions. We all suffer in health and amenities because of the pollution of city air and water supplies. Our surroundings are made ugly by urban blight. We believe we have to attack these evils, and a Liberal government will attack them and will work in co-operation with the provinces and urban municipalities.

In addition we have a full program for government planning. Now, before I hear any outcry about the use of such words, I hasten to add that such planning is the answer not on the basis of socialism but on the basis of co-operation between government and private enterprise. Mr. Pearson and the Liberal party have long recommended the establishment of an economic advisory council.

Mr. Grafftey: You are adopting all our policies.

Miss LaMarsh: We have the conviction that such a council should be composed of representatives of labour, industry, agriculture and government. The council's function would be to find out and analyse what is going on in the country; to study what is planned in all types of industry and in all the regions of Canada; to study such major problems as automation; to investigate economic trends; to publish outlook reports and, finally, to make recommendations to the government which in our system has, and must retain, the responsibility for policy and action.

The studies and reports prepared by the council would enable the government to secure a detailed and objective picture of the whole economy; to know its problems and its potential, and to assess its performance in the light of that knowledge. With such information the government would be in a better position to implement effective policies designed to reduce the gap between the potential and the actual performance of our economy. Private business would be in a position to use the targets and the forecasts prepared by the economic council for its own guidance. Government and business together would be able to take a reasoned view of our economic needs and the programs required to meet those needs. This would lead to better understanding and more effective co-ordination between the private and the public sectors of our economy.

A moment ago an hon. member said that what I was suggesting, an economic advisory council, was comparable to the national productive council which was set up last year. Nothing could be further from the truth. Some indication of that fact is that the United States has a national productivity council, yet the new President of the United States recently found it necessary to set up something very close to what the hon. member for Algoma East has been suggesting. That was a new economic council which is called the president's council of economic advisors. In the United States it was found necessary to have both, and of the two the more important has been the president's council. Just contrast the lethargic position of this government with the hustle of our neighbours in the United States.

I suggest that hon. members take a look at the periodical *U.S. News and World Report* of February 19 last, in which there is an article entitled "New Tools to Control Booms and Slumps". It contains the following:

> Kennedy aides have been instructed to draw up a broad, new plan to control the economy. They have been told to use any and all devices to nudge, stimulate, goad, divert or restrict economic activities of all kinds.
>
> The chief planners are the president's council of economic advisers and a new staff of economic analysts and planners, just created in the treasury and directed by under secretary Roosa.

Some of the tools which are in use in the United States, which have been recommended by President Kennedy, include a bold use of the federal budget and the national debt to cut rates of income tax when a recession threatens, and a speed up of public spending when unemployment rises. The President has already asked congress for emergency powers to make temporary tax cuts, and for broad powers to ease trade negotiations with other countries. He has requested the establishment of a department of urban affairs to spend more than $4 billion a year for public housing, a federal mortgage program, community facilities and slum clearance, with plans to expand later to such fields as mass transport, education, air pollution control and water supplies.

That is the type of planning which we on this side mean when we say we have the answer. To those who think it has not been proven nor will it work let me quote from something which was said by probably one of the greatest of modern thinking Canadian planners and builders, the late Hon. C. D. Howe:

> If our national development had been left entirely to private enterprise, Canada would not have attained its present status as a nation. And unless government continues to take a lead by well planned initiatives, guidance and regulation, it will not continue to develop as it should.

These, then, are Canada's wasted years. A stagnant economy is inexcusable for a country which possesses such great national resources together with a vibrant, forward looking people born to live in freedom. It is not necessary, and the people know that. A new Liberal government will provide the leadership, restore the confidence, and undertake the practical policies that will get the economy moving.

Mr. Speaker, I move, seconded by the hon. member for Welland (Mr. McMillan):

> That all the words after the word "that" be deleted and the following substituted therefor:
>
> "this house is of the opinion that immediate consideration should be given to the development of policies that would ensure an adequate rate of growth in the Canadian economy."

Mr. Speaker: If no one wishes to comment on the proposed amendment—I have in mind the form of the amendment—I will put it to the house.

Mr. H. W. Herridge (Kootenay West): It is always a delight and a pleasure to listen to the sweet and mellow voice of the handsome and tender hearted lady member for Niagara Falls (Miss LaMarsh). However, I must say

that we have some criticism to make of her proposals and, because she is such a nice lady, we are really sorry she is being misled on this question.

To illustrate the effect which this party has had on Canadian public opinion throughout the country, may I point out that the Conservatives are beginning to steal our slogans. They have already stolen one for the coming election, "Social justice for all". That has been our slogan for many, many years. Now the Liberals are beginning to steal our criticisms and even our language to some extent.

An hon. Member: Even the hon. member for Assiniboia.

Mr. Herridge: No, no. They do not steal in that case; they simply adopt. The Liberals are stealing our criticism and using our language, but they have not stolen our program. Do not let anyone be under any illusion in that respect.

Before I proceed to the main substance of my speech, perhaps I may say that speakers for an opposition group such as this must live in a certain atmosphere of anticipation concerning the amendment on the motion to go into supply. The hon. lady, in the course of her well delivered speech, said in the first instance that economic growth is essential for many reasons, hence it must be a major domestic issue in the coming election. We agree with that statement. It is true. That is our language. Then she said the Liberals have concrete plans to provide for such growth. We are waiting to see whether, later, members of the official opposition will be able to list any details of such plans so that we might know what they are.

Then the hon. lady said the Conservatives paint too rosy a picture. Well, we can agree on that. I am trying to indicate the things upon which we can agree in order to show how fair and unprejudiced we are. I may say that all my life I have found it very painful indeed to disagree with a lady, so hon. members can understand my situation this afternoon. Then the hon. lady said, apparently in an implied criticism of the wheat deals with China, that the government had committed itself to future deliveries of wheat to such an extent that we might not be able to make deliveries to our traditional markets. We in this group would not fear the possibility that we might not be able to make deliveries to our traditional markets. What we say is, let us stimulate production and let the farmers increase production so as to meet not only the demands of our traditional markets but the demands of all countries which desire our foodstuffs.

[Mr. Herridge.]

Further, the hon. lady went on to say we should need a million new jobs by 1965. I think we can all agree with that statement, so once again we are in accord. She made some comment about weeping and wailing over a lack of growth. I could not quite understand who the hon. member thought was doing the weeping and wailing. Certainly it was not any member of this group. We deplore conditions which are not satisfactory, but we do not weep and wail; we advance ideas and programs to try to improve the situation.

Since the founding of the New Democratic party the Liberal party has adopted so much of our program and vocabulary, as well as our parliamentary leader, that the Canadian people must wonder whether the Liberal party is altering its basic philosophy of ensuring, as a government, that big business maintains its unfettered control over our economy and arbitrarily dictates the standards of living of the people of Canada at the expense of consumers and producers.

We in this group base our policies on a few simple statements. We believe that every Canadian child, regardless of where that child may live or the economic situation of its parents, is entitled to all the education it is capable of receiving with advantage. We believe that every able bodied adult who is willing and able to work should have guaranteed employment. We believe that all the people of Canada should have protection against the hazards of illness or disease or accident of any kind or extent without their economic security or their savings or their future being imperilled. We believe that the country is responsible for the care of the disabled and for those who are unable to work on account of disability. We think they should be cared for at the expense of all of us and given security with a measure of comfort. We also believe that our older citizens should be able to enjoy their retirement with security and also with a measure of comfort.

Mr. Grafftey: Are you against sin?

Mr. Herridge: I see that the hon. and active member for Brome-Missisquoi, where they raise ducks and, apparently, duckies, is interrupting me but it appears that at heart he is sympathetic to my views.

The Liberal party is attempting to convey the idea that it will provide planning in Canada. Hon. members will notice how popular this word "planning" has become. The Minister of Finance who, I notice, is listening attentively to my remarks, will remember that some years ago one or two

members got up in this house and said "Anyone who suggests planning suggests slavery". Well, we have come a long way since that day.

Finally, we are told that on February 20—not in this house but addressing the junior board of trade in Toronto—the leader of the Liberal party spoke at length and impressively in favour of action in both the private and public sectors in order to ensure the growth of our economy. But he had to reassure big business. He had to show big business that this was, after all, part of the electoral gimmick strategy, so he uttered the following words:

> Planning, why? When economic action is taken in the public sector it should be designed primarily to stimulate and increase activity in the private sector.

I want you to notice this:

> When economic action is taken in the public sector it should be designed primarily to stimulate and increase activity in the private sector.

When we quote these words we must remember that although we have over one half million unemployed in Canada at present, the balance sheets of large corporations indicate some have made the largest profits in their history under these circumstances. We are devoted to the principle of planning for the people under the direction of the people's representatives, not by big business and vested interests.

I return to the subject of the Leader of the Opposition, who has a fascination for me this afternoon. Later in his speech on this occasion he apparently felt he had not provided adequate reassurances, and from my point of view he attempted to correct the previous impression he had created of the rejection of his own party's policy of support of free enterprise. I quote the following from his recent and famous speech:

> In this new world government and business must co-operate. Neither can afford to operate in a haphazard way. What we need now is careful co-operative planning. By this I do not mean planning, or a planned economy on a socialist model. A directed and controlled economy of that kind is for us not only undesirable, it is impossible. I mean planning, not with a view to bringing about more controls, but planning so that there can be a greater opportunity for profitable progress in the private sector of our economy.

When the hon. gentleman speaks I hope he will explain to the house that apparent contradiction in terms and objectives from the general impression created by his speech. If I remember correctly the speech was made to a board of trade in Toronto on February 20. You seldom find members of the cabinet or leading spokesmen of the official opposition addressing trade unions or farm organizations. Usually they address chambers of commerce, boards of trade and groups of that kind, for which they have a natural affinity.

Mr. Pearson: And the national farmers' union and the Saskatchewan farmers' union.

Mr. Herridge: When the Leader of the Opposition hears what is being said by the national farmers' union concerning the expression of opposition to the principle of marketing boards on the part of hon. members of the Liberal party and those on the government side of the house, he will not wish to turn up at another farmers' meeting.

This is extraordinary. The Liberal party proclaims that the haphazard relationship of the past between big business and Liberal governments must now be organized, with the assistance of an advisory council, to plan for more profits for the private sector. This council would be in a position to use for its own guidance, to assist in its decisions, the targets and the forecasts prepared by the economic council.

Let me quote some other remarks attributed to the Leader of the Opposition. This group has been watching every word spoken by the Prime Minister, the Leader of the Opposition and the hon. member for Bonavista-Twillingate. In fact we have a special man watching him for his pearls of wisdom.

The Ottawa *Journal* reported the Leader of the Opposition as saying in Hull on February 2 last:

> The Liberal government would set Canada going again not through socialism but by planning to give incentive to private enterprise.

This sort of planning is compared by the hon. gentleman with that prevailing in Europe. But the Canadian people cannot be misled. The Liberal planning represents the theft of a word, not the acceptance of an ideal. I give the Leader of the Opposition credit for having honesty and integrity, and we all respect him, but he is addicted to the free enterprise doctrine. He is going to continue to plan for the people who have brought about every major war in history and caused every line of unemployed persons in every country of the world. If we leave it to them, in the future we will face a third world war.

How can we get our growth rate up to the necessary level? I will speak about our policy so there will be a clear understanding of what we stand for, without hemming or hawing. The New Democratic party maintains that Canada can only achieve and sustain a high rate of economic growth if she plans her economy to ensure the best allocation and use of her available resources and technology.

Canada has not had this kind of planning in the past. Whenever our growth rate has slowed down in the past, our government

has relied on natural forces to get it moving again, has subsidized private corporations to encourage them to undertake new investments, or has undertaken certain emergency government expenditures itself.

We give credit to the government for the introduction of such measures as the winter works program, but even that program would have been opposed by the old parties years ago. We all remember what happened in the hungry thirties, when few of the unemployed in Canada could avail themselves of a program of this nature but were offered 20 cents a day in relief camps. We have advanced since then. Since that time the C.C.F. has had an influence on Canadian public opinion, on the opinion of governments and official opposition leaders. No government today would dare return to the conditions of the thirties because of the change in public opinion.

What is a democratically planned economy? We say it is one in which the principal economic and social activities are co-ordinated and developed through deliberate planning by a democratically elected government. This should be contrasted to an unplanned economy where the principal decisions are made by private corporations and by powerful individuals associated with those corporations.

Let me illustrate that point. Last week I spoke to an important person in the Canadian pulp and paper industry. The industry faces an uncertain future. The present market absorbs approximately 90 per cent of the production of the mills in operation. This gentleman complained to me about the fact that another large mill is being contemplated to enter into production in the near future, when only 90 per cent of the present production is marketable. This seems to be the result of lack of planning and direction from the federal government in co-operation with provincial governments. That is what we mean by government control of industry, direction of investment and so on.

In our opinion a democratically planned economy is designed to serve the interests of the majority. An unplanned economy is designed to permit private corporations to pursue the goal of maximizing their profit. It is only by chance that what the private corporations do in pursuing this goal will be in the interests of the majority of the people. We must take the Leader of the Opposition at his own word. He intends to make it possible for private corporations and big business to increase their profits and expand their activities.

We believe the investment decisions of the various private corporations are unco-ordinated. Each corporation or group of corporations is concerned with its own sector of the economy and proceeds without concern for either (a) those other parts of the economy by which it does not think it is affected or (b) the country's over-all economic goals. The big corporation executive may get just as worried as anyone else when he reads in his financial paper that Canada has too little investment, or too much, or the wrong kind, but these considerations will not affect his own investment decisions for his own corporation. He will continue to make those decisions which best suit his own firm's economic welfare as he sees it. Yet there is no guarantee that what makes economic sense for a private corporation will still make economic sense for the country as a whole when all these private decisions are added up.

The result is that we get overinvestment in some parts of the economy, underinvestment in other parts. We get overinvestment in the country as a whole at some times, underinvestment at others. This is very damaging to the stability of our economy and to its steady rate of growth.

With democratic economic planning, such as that which we suggest, we can allocate our resources to serve the over-all economic goals of the country. This would level out the disastrous ups and downs that plague our economy, ensure that the economy produces what the people want it to produce, and enable us to maintain a high rate of economic growth and a low level of unemployment. The only unemployment which should exist in Canada is that caused temporarily by climatic conditions, where it would not be economic to transport workers from one area to another.

Mr. Browne (St. John's West): May I ask the hon. gentleman a question?

Mr. Herridge: Certainly.

Mr. Browne (St. John's West): Would he not include seasonal workers in that list?

Mr. Herridge: These people are included in seasonal workers. They are persons that are put out of employment because of climatic conditions. To illustrate, may I say that in the district in which I live, any logging about the 3,000-foot level is usually ended by Christmas time, not because the companies are not operating or because there is no work to do but because the snow is too deep for economic operation. Hence quite frequently there is a lay-off of some men in January and February and possibly to March 15, until the snow lessens again.

What else, it may be asked, does economic planning involve from our point of view? Economic planning does not concern itself only with the allocation of investment as between private capital and social capital, but also within these two sectors. Planning and controlling investment within the social capital sector is relatively easy, because here the government can take direct action. For example, if the government finds that the housing program has gone ahead very quickly and is in danger of overinvestment, but that municipal services like water and sewage are lagging behind, it can shift some investment funds from the former use to the latter.

Planning and controlling investment within the private capital sector of the economy is less direct. "Indeed", some people may ask, "why do we need government planning in the private sector at all? Surely private businessmen know better than anybody else what are the best investments for their own enterprises." That is the attitude of the normal private business enterpriser.

It is true that a certain investment decision might be right for company A, another for company B and still another for company C, and so on. But when companies A, B, C and so on all across the country are making separate decisions about how to invest and what to produce, there is no guarantee that this will add up to economic sense for the country as a whole.

We make that point very strongly because there is evidence of it all over the country. I have seen it in my own lifetime. Men have started operations in a certain industry, particularly in the lumber industry. I refer to that industry because I have lived in the lumber country. They started up operations because they could get timber at that time, not looking to the future. They may find that some operations are not economic, and you have bankruptcies growing and so on, whereas if there had been some guidance, or some planning, even in the provincial sphere, we would have had sounder and longer term development. In an unplanned economy we have one corporation building an oil refinery here, another producing television sets there, another building a steel plant somewhere else, all according to how they view their own particular segments of the economy. But nobody puts all these programs of capital investment together in order to see whether they add up to a good program for the whole economy.

The other parties depend on some sort of invisible hand—the free market and so on—to see to it that this hodgepodge of private investment plans makes over-all economic sense. But there is no such invisible hand. There is no sort of over-all guiding hand in the economic field. All this in many cases ends up with economic chaos because there has been no planning. There is no machinery working automatically in the private enterprise economy to see to it that our capital investment is neither too small nor too large and that it is growing in the most desirable places.

That is why we have periods of underinvestment and unemployment such as we are in now, and other periods of overinvestment and inflation as we had in 1955 and 1956. This is also why we have misuse of our investment capital with some sectors and regions being starved for needed social and private capital while others overinvest to the point that they have excess capacity for many years to come. That is not just a wild statement by radicals; that is a fact, and we find the results all through our economy in recent years.

Mr. Pearson: Before my hon. friend leaves that point, I wonder whether he would permit me to ask him a question?

Mr. Herridge: Yes.

Mr. Pearson: I have been trying to follow what he is saying. Is he saying that there should be no private or corporate investment without government approval?

Mr. Herridge: No, Mr. Speaker. We are talking about the commanding heights of the economy, those sectors of the economy which have a controlling influence on the economic destiny of the nation. As we have said before, we believe in public ownership wherever it is socially desirable and wherever it is indicated that it is in the best interests of the nation. We believe in much larger development of the co-operative enterprise. We believe there is a tremendous opportunity for socially desirable and socially responsible legitimate free enterprise, which is found largely in smaller industries, community industries and services, small businesses, farming and so on. In those sectors you will find economic organizations or groups themselves, under a change in our philosophy, directing their own destiny, working together co-operatively in accord with a national plan which has in mind the over-all planning we suggest. We believe there is a great amount that government can do by giving some direction and some guidance, some central purpose, to the development of our economy. In those large sectors we suggest planning as I have mentioned, and in these other sectors we suggest the influence of government, smaller group organization and co-operation to bring about the same result.

Mr. Morton: May I ask the hon. gentleman a question?

Mr. Herridge: Yes.

Alleged Lack of Economic Growth

Mr. Morton: Is he suggesting that no new enterprise should commence without government consent or that no investment should be made without government consent?

Mr. Herridge: I am not suggesting that no investment should be made. I will illustrate the matter in this way. I mentioned this large pulp mill that is going to be built. I do not know where it is going to be built, as a matter of fact, but I know it is going to be built. It will make more acute the problems of producers now in operation at this time. This is the situation in various segments of the economy including the mining industry, the forest industry and large scale manufacturing. We believe that government policies must be such that they will have the power to control the situation so that there is no uneconomic investment—

Mr. Browne (St. John's West): Would the federal government have that power?

Mr. Herridge: Yes. It would have great influence on it through taxation and fiscal policies. We recognize that this is not an easy problem to solve. You will have to have the co-operation of provincial governments in many of these fields in order to reach the desired objective. But we believe we must start in this direction. We do not underestimate the difficulty, but we are laying out a positive program rather than let the economy drift, in our opinion, as a free enterprise economy in which large scale investors have no concern for the other sectors of the country except their own. I am not blaming them a bit, because under present circumstances they are forced into that position.

Mr. Speaker, I observe people nodding their heads and waving to me. I am just doubting whether my time has nearly expired. In any event I am going to say this. A New Democratic government would take steps to end what we term this economic chaos. This party has no faith in the invisible hand, as I said before. What planning machinery would a New Democratic government establish? A planning board would be set up, staffed with specialists in various fields, including economists, statisticians, engineers, scientists and so on. This planning board would follow four basic steps:

1. Find out what the people want their economy to produce, and how they want it to perform.

2. Find out what the economy is capable of doing, based on the available resources and technology.

3. Set up a number of goals within the limits of the economy's capacity and based on the people's choices.

4. Draft a plan which would so allocate our resources and technology that these goals could be attained.

This plan would be presented to the cabinet who would discuss it and, after making any changes that they deemed necessary, would present it to parliament for debate. That is when the Minister without Portfolio would have his opportunity if he were here at that time. If parliament passed the proposals outlined in the plan, the government would proceed to put it into action.

There are many details of such a plan. Some might say, how would the planners find out what the people want? Other members of our group will go into the matter of how the planners find out what the economy is capable of doing and how they set up goals for the economy. Our people have these things worked out in considerable detail. The techniques of planning are rather complex but the general ideas involved are fairly simple. First of all, we have the spending and taxing powers of the government. This very general approach, of course, is not adequate in itself. Government spending and taxation must vary for different sectors of the economy and different industries. For example, corporation taxes can be made higher for industries that are overinvesting and lower for those that need to invest more. Government spending should be heavy in those sectors of the economy such as social capital and those regions like the maritimes that have difficulty attracting the necessary private investment funds. We say that Conservative, Liberal and Social Credit governments have not used their spending and taxing powers in this way to influence the direction of investment.

Then there is the question of the Bank of Canada and monetary policy. The proper policy to follow during periods of inflation is to contract the money supply, which raises the interest rates on loans made by chartered banks. This makes it more difficult for businesses to acquire funds and thus helps prevent them from overinvesting under the wrong circumstances and conditions. In periods of recession and unemployment the proper policy is to expand the money supply, which lowers the interest rates on loans made by the chartered banks. This will make it easier for business people, municipalities and home builders to borrow money for needed investment to stimulate the economy. Money, in other words, should be tight in periods of inflation—I do not really like the word "tight" but it is very hard to find another word to express the idea—and easy in periods of recession.

We hear people say, would planning mean regimentation and loss of freedom? The planning board which a C.C.F. national government would establish would not govern the country. Its role is to use its specialized training to gather information and draw up plans. The final authority will always be the people themselves through their representatives in parliament. All plans drawn up by the planners would have to receive the approval of the elected cabinet before being presented to parliament for debate. After being presented for debate the people's representatives in all parties would have full opportunity to discuss the plan, propose amendments, and reject or accept it. That is democratic enough, is it not? Moreover, economic planning does not mean directing or regulating every economic act or even any large number of acts.

I could go on to deal with the Bank of Canada and monetary policy, the control of finances and the necessity for a Canadian development fund which we believe would channel investment into uses which today are neglected by the private investor. We believe in the planning of public investment. There is a great opportunity for public ownership and there are other planning agencies that could be developed. There are several besides the ones I have mentiond that have been present for some time in the Canadian economy and which could be used in the over-all planning process. We could utilize them to greater advantage. I give as examples Central Mortgage and Housing Corporation, the board of transport commissioners, the wheat board, the restrictive trade practices commission and the tariff board plus a large number of provincial agencies whose co-operation we would seek to obtain in giving effect to a program which would provide a national economic purpose for our country. Today there is no attempt to co-ordinate the work of these agencies with a national economic plan. A New Democratic government would co-ordinate their activities just as it would co-ordinate the activities of big business.

I say in conclusion that in an unplanned economy people have very little say about how their economy is to perform, what it is to produce, and so on. The only way they can express their wishes in an unplanned economy is by their purchases in the market place and this only works to their advantage if the market place is perfectly competitive. I might say that there are fields in the smaller areas of business and industry where they are competitive. In fact, of course, the market place is controlled in general by a handful of firms in each industry so that to a very large extent the people's wishes can be ignored.

Democratic economic planning would give the people as a whole a degree of control over their own economic destiny which they do not now enjoy. Instead of just hoping for full employment, rapid growth and security they could take positive steps and participate in the planning to see that the economy provides these things. Economic planning does not impose choice; it allows choice where little now exists. It offers an opportunity for people in all walks of life to co-operate with the national and provincial governments with some purpose. It will give purpose to their lives, a sense of security and a central direction to our economic development. It offers freedom to the Canadian people in the fullest sense of the word.

Mr. Hees: Mr. Speaker,—

Mr. Deputy Speaker: Order. The hon. member for Kootenay West has not finished his speech.

Mr. Herridge: As an amendment to the amendment, Mr. Speaker, I move, seconded by the hon. member for Vancouver East (Mr. Winch):

> That the period at the end of the amendment be replaced by a comma and that the following words be added:
>
> "by the expansion of public and co-operative ownership for such purposes as the operation of utilities, the development of resources, the elimination of monopoly concentrations of power, and the operation of major enterprises immediately and directly affecting the entire nation."

I move this subamendment to give some reality, shall I say, to the amendment moved by the official opposition. The few words contained therein represent the philosophy of our movement, and when the vote comes we hope that we will not only receive the support of members on the government side but also that of members of the official opposition.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, during the past weeks and months and again today we have heard a number of misleading speeches and have read a number of misleading articles and publications put out by the Liberal opposition, all attempting in some strange fashion to convey to the people of Canada that this country's economy has slowed down. In fact, I think the hon. member for Niagara Falls (Miss LaMarsh) used the word "stagnating" this afternoon. So, Mr. Speaker, we in the government welcome this opportunity to set the record right, and I should like to speak about the economy at this time under three headings. First of all, I should like to deal

with the situation which this government found existing in Canada when we took office in June, 1957. Then, I should like to deal with the progress that has been made since that time. Finally, I should like to deal with the prospects for the future.

First, I shall begin with what we found when we took office in June, 1957. Early in 1957 it was apparent that two important changes had taken place in the trading world. The first was that the countries of western Europe and Japan had completely recovered from the devastation of war and, having rebuilt their economies and their productive machinery, were no longer customers for many of the products we had been selling them in large quantities since the end of the war. The second change was that these countries, having replaced their productive machinery with the most modern and efficient equipment in the world, were rapidly becoming very serious competitors for our market both around the world and right here in Canada itself.

In addition to these two disturbing facts of economic life which we discovered when we took over the government in June, 1957, we also found that the Canadian economy had been for some months steadily slowing down due to the tight money policy imposed by the Liberal government of that day. Government economists had, early in 1957, warned that industrial activity in Canada was contracting at an alarming rate. The government's tight money policy had made it impossible for industry to acquire the funds necessary to invest in new plant and equipment and in new inventory which it needed, and the expansion of the economy had slowed down accordingly.

Now, Mr. Speaker, faced with such a situation we immediately set about the task of readjusting the economy to the conditions of 1957. As a result of the policies which were adopted, the country came through this difficult period of readjustment fully as well as the United States which faced similar problems. In fact, Mr. Speaker, because of the corrective measures which were adopted so promptly there was less of a let-down in industrial activity in Canada than there was in the United States. The final proof of the effectiveness of this government's actions during these difficult years is the fact that the Canadian economy is again moving vigorously ahead. So that all members may know just what has been accomplished during the present government's term of office, I should like to cite some key economic indicators, and in each case I will show the increase that took place between 1956, the last full year when a Liberal government held office, and 1961.

In so far as total employment is concerned, total employment increased between 1956 and 1961 by no less than 452,000 new jobs, a percentage increase of 8 per cent. The gross national product increased by $6.8 billion or 22 per cent. Exports increased by $900 million or 19 per cent. Imports were kept down to an increase of $200 million or an increase of 3.5 per cent. Total personal income increased by $6.8 billion, an increase of 30 per cent. Labour income increased by $4.6 billion, an increase of 30 per cent. Corporate profits increased by $207 million, an increase of 6.2 per cent. Industrial production increased by 15 per cent and consumer spending increased by $5.8 billion, an increase of 30 per cent. Total personal savings increased by $400 million, an increase of 30 per cent.

I feel, Mr. Speaker, that all hon. members, in fact all the people in the country, will agree that this performance, particularly when you take into consideration the very difficult conditions we faced when we took over the government in 1957, is a very creditable one indeed. However, Mr. Speaker, the most spectacular advance has taken place during the past year when the economy really started moving in high gear. I should like to give you some examples of just what has taken place during these past 12 months. The latest figures available in respect of export trade are for last November and we find that during the first 11 months of the year exports increased by 8 per cent over the first 11 months of the year before. This rate of increase was more than double the rate of increase for the last five years. During the last three months of that 11-month period, in other words last September, October and November, the rate of increase was 15 per cent over the same three months the year before. I think you will agree, Mr. Speaker, this indicates quite a remarkable rate of acceleration. First of all, you see a steady increase year by year and then during the past year double that rate of increase; and during the past three months the rate of increase was doubled again. This is acceleration if I ever saw it, Mr. Speaker.

During the first 11 months of the year we achieved a surplus trade balance of $27 million, the first surplus trade balance since 1952. In 1956, the last year of Liberal government, Canada had a trade deficit amounting to $713 million. So we see that during the past year we produced right here in Canada nearly three quarters of a billion dollars worth of goods which were formerly produced, under the Liberal government, outside of Canada and the production of which provided jobs for Canadians instead of for

workers in other countries. From November 1960 to November 1961, the last month for which figures are available, industrial production increased by 8 per cent. This was three times the rate of increase during the last five years. From the first to the third quarter of last year, that is within the brief period of six months, Canada's over-all production of goods and services in real terms rose by no less than 4.7 per cent. This rate of growth in national output exceeded that achieved in any like period in 14 of the last 15 years. I think everyone will agree that this has been quite a remarkable achievement under today's very competitive conditions. This growth has been achieved without any rise in the price level. In other words, not only is the present rate of growth of the Canadian economy comparable to any of the post-war years, but the absence of inflation indicates that it is proceeding on a sounder basis.

Between December 1960 and December 1961, employment increased by 180,000 new jobs. This was nearly double the rate of increase during the last five years. I should like also, Mr. Speaker, to cite some additional key indicators which are normally used to indicate industrial growth and which also demonstrate just where our economy has been moving during the past year. I will name the indicator, then the latest month in 1961 for which figures are available and then the percentage increase over the same month of the year before: Manufacturing employment, December, up 6 per cent; new orders in manufacturing, November, up 9 per cent; construction contract awards, December, up 15 per cent; production of motor vehicles, December, up 14 per cent; production of textiles, November, up 15 per cent; production of petroleum, November, up 32 per cent; production of nickel, November, up 28 per cent; production of steel ingots, probably the best key indicator of all, and this is basic steel, was up a remarkable 37 per cent.

Now I should like to underline what this government has done to assist industry achieve this very spectacular result during the past year.

1. First of all we lowered the exchange rate to a more realistic ratio with other world currencies, which had the effect of making Canadian exports more competitive in world markets. It has discouraged excessive imports and has provided a needed impetus to our tourist industry. The full benefits of this step should be felt increasingly during the present year.

2. We have held trade and industrial conferences in Ottawa and in all the provinces to bring the services of the Department of Trade and Commerce directly to businessmen in all parts of Canada. By so doing we have stimulated their interest in going into the export market and helped them to produce more efficiently and effectively for the home market. More than 5,600 businessmen have attended these conferences.

3. We have greatly expanded our trade mission and trade fair programs to show businessmen the opportunities which exist in foreign markets and to help them display their products in those markets. Those programs will be pushed forward and expanded vigorously during the present year. Businessmen have co-operated enthusiastically in the development of our trade mission and trade fair programs.

4. We have introduced export credit facilities to provide long term financing for capital goods exports. Sales to date for which contracts have been signed and which were made possible by the use of export credits amount to approximately $41 million; and credits which have been authorized by the government, but for which sales are still being negotiated by the companies concerned, amount to approximately $114 million.

5. We had our trade commissioners survey the markets they are serving and report on any products made in Canada for which there is a demand in their market or in which they believe our present sales could expand. The result of this survey was that last June we were able to advise producers right across Canada of more than 2,500 market opportunities waiting for aggressive salesmen with a good product at a competitive price.

6. We have greatly expanded the functions of the Industrial Development Bank to provide small and medium sized firms with a larger source of working capital.

7. We have made available loans to small businesses, to release working capital for these small but very important industries which previously had no alternative source of funds for growth.

8. We have introduced accelerated depreciation to encourage production of new products and the establishment of new industries in labour surplus areas. Since March of last year the department has approved applications for double depreciation on assets valued at close to $110 millions. Sixty per cent of the approved assets relate to firms located in surplus manpower areas, and a wide variety of new products will be manufactured with the approved assets. They include new types of steel, chemicals, electronics, plastics, foods, paper, textiles, and many other products. At the present time applications for an additional $55 million are being considered by my department.

9. We have set up the national productivity council to help industry become more competitive, and thereby provide more sales and more jobs.

10. We have established a national design council and a national design branch within my department to assist Canadian industries with their design problems and, by encouraging improved design, make possible more sales and more jobs.

11. We have introduced a domestic commerce service which is a completely new arm of the department and has been created to help new industry become established and expand.

I believe all hon. members will agree that the production figures I mentioned a few moments ago show more clearly than any words I could utter just what has been achieved by the co-operative effort of government and industry during the past year, and what can be achieved in the future if we continue the same teamwork effort. In the kind of competitive world in which we find ourselves today nothing less than that kind of effort will do.

The important thing is to keep intact the present teamwork effort between industry and government. The Liberal opposition are making all kinds of extravagant promises in a desperate effort to regain power but remember, Mr. Speaker, they are the same people who slowed down the economy in 1957 with their tight money policy, and they can be counted on to apply the same tight money policy again if they should ever regain office, and slow down the economy the same as they did in late 1956 and early 1957. There never existed any teamwork effort between last Liberal government and industry, simply because that government was not interested in co-operating with industry. It is just as simple as that, and if anybody doubts my words all he has to do is speak to any businessman in any part of Canada and he will say that that is so.

Mr. Pickersgill: How ridiculous can you get?

Mr. Hees: The thing which amazes businessmen is that when they come down to see this government they find they are treated courteously. We receive them and look for ways to help them instead of finding ways in which to brush them off quickly, as happened under the Liberal government.

It is vitally important that the present government should stay in control of the economy, and it is going to do just that. There is no doubt about it, and thus it will be able to maintain the present teamwork effort which is paying off in such a spectacular fashion today. Under this government, and with the kind of co-operation we have had between industry and government, we can continue to work steadily forward towards full employment and the greatest prosperity this country has ever known.

That success story which I have just related to the house, that record of prosperity and that record of increasing employment is simply killing the Liberal opposition. Their plans have been completely upset. They have been desperately hoping for increased unemployment to help them in the next election, but instead of increasing unemployment they are being met with increasing employment and increasing prosperity, and so they have switched to a different tack. This tack encompasses a series of personal attacks, more of which we can expect to hear from now on.

This plan of campaign was first indicated in an article in *Macleans* magazine last fall, an article written by Peter Newman, and I might add that that magazine has never been unfriendly to the Liberal opposition. The first implementation of that new policy took place in this house last Thursday, a disgraceful performance if there ever was one. It was a vicious attack on the Prime Minister, a completely unfounded and untrue attack in which there wasn't a word of truth, and it was made by the hon. member for Richelieu-Vercheres (Mr. Cardin).

Mr. Pickersgill: I am rising on a point of order. Mr. Speaker, it is a well known rule of this house that it is not competent for any hon. member, even a minister of the crown, to seek to revive a debate which has already been concluded by a vote in this house, and neither is it competent for him to refer to speeches made in another debate. That rule has always, to my knowledge, been enforced in the house and I hope it will be enforced in this case.

Mr. Deputy Speaker: It is a rule of the house not to refer to debates which have already been completed in the same session unless there is a direct bearing on the subject under discussion. I trust the hon. minister will relate his remarks to the amendment and to the subamendment now being considered.

Mr. Hees: I can understand the sensitivity of the hon. member for Bonavista-Twillingate regarding that speech, because I understand he wrote a very great deal of it.

Mr. Pickersgill: I hate to waste the time of the house by rising on a question of privilege but it is just possible that someone outside the house might believe what the minister has said. I hasten to assure the house, which already knows it, that the statement just made by the minister is unqualifiedly false.

Mr. Hees: Well, whoever did write that vicious, guttersnipe, back alley speech should be thoroughly ashamed of himself. It was a disservice to this house that that speech was ever uttered and I hope another like it is never heard in this chamber. We have laid before the people facts regarding the program we have carried on for the benefit of the people of this country during the four and a half years since we took office. This has been done in speeches by the Prime Minister, by myself and by other members of the government. We have outlined what is, I think, an excellent record. Moreover, the Prime Minister has indicated the excellent program we have for the future of this country. And, as my right hon. friend said recently, we shall be very glad to let the people judge that performance and that program for Canada's continued rapid development in the not too distant future.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, the minister has made a brave effort to reassure himself and his supporters that all is well with the economy of Canada. He has cited figures which related to the past year and, more particularly to an upswing in the last quarter of last year, and has presented that as representing a picture of the economy throughout the whole period of four years, or more that this government has been in power.

The minister should know that figures for part of a year, even if they show a slight upswing, do not represent a sound economy any more than one swallow does not make a summer. Nothing that the minister has said can alter the fact that during the last four years and more during which this government has been in office the economy has expanded by only about 1.5 per cent per year as compared with 6 per cent per year in the previous five year period under the Liberal government.

My colleague the hon. member for Niagara Falls (Miss LaMarsh) has already referred to this stagnation in our development and has spoken of the steps which a Liberal government would take to correct it. I should like to develop this theme a little further and in so doing I propose to confine my remarks to the position of the Atlantic provinces.

I think it was Lincoln who said that no nation could survive half slave and half free. I think it is equally correct to say that no nation can survive half rich and half poor. In the light of the present challenge to our democratic way of life perhaps we could go further and say that no society can survive half rich and half poor. We recognize the importance of the economic front in the war of ideas in which we are now engaged by providing assistance to the under developed countries of the world. Surely we cannot afford to be less concerned about the underdeveloped parts of our own country.

Mr. Murphy: Mention the provincial grants, then.

Mr. Carter: To speak of the Atlantic provinces as underdeveloped is not to say that no economic growth has taken place at all. But growth has been extremely small and painfully slow. At the time of confederation in 1867, the Atlantic provinces—perhaps I should more correctly say the maritime provinces—were relatively prosperous. They had flourishing economies based on agriculture, fishing, forestry, shipbuilding, shipping and international trade. Their provincial governments were in a generally sounder financial position at that time than the governments of the central provinces with a lower per capita public debt, a lower cost of living and a lower level of taxation.

One effect of confederation was to restrict this international trade which was an important factor in the maritime economy. The volume of trade with the central provinces which it was hoped would compensate for that loss did not materialize. The restriction of international trade produced, in turn, an adverse effect on the shipping industry and this, together with the advent of steam, crippled or curtailed the shipbuilding industry, though I believe at least one steamship was built in New Brunswick in the early days of steam. Thus, the Atlantic provinces were compelled to rely more and more on their primary industries of agriculture, fishing, mining and forestry as the basis of their economies. Ten years delay in building a railroad to link the maritimes with the central provinces and the overriding claims of military rather than economic considerations in determining the route of that railway were not conducive to the establishment of secondary industries. Consequently the maritime provinces began to lag behind the rest of Canada economically. This gap has steadily widened over the years. We can obtain a better idea of the magnitude of this lag by looking at the figures for population growth as published by the dominion bureau of statistics.

In 1871 the population of the maritime provinces, excluding Newfoundland, of course, was 768,000 representing 21 per cent of the population of Canada. Newfoundland had not entered confederation at that time. In 1961, 90 years later, the population of the Atlantic provinces, including Newfoundland, was only 1.9 million people representing 10.5 per cent of the population of Canada.

Alleged Lack of Economic Growth

Mr. Jones: And Mr. Gordon wants to export more, does he not?

Mr. Carter: Without Newfoundland the population would be 1.4 million representing 8 per cent of the population of Canada. These figures show that in the 90 year period the population of the Atlantic provinces has barely doubled while the population of the rest of Canada has increased five times over. Had the population of the Atlantic provinces increased at the same rate as the population of the nation they would today have a population of approximately 4 million people. That represents a tremendous loss in terms of human resources as well as in terms of domestic market.

The most striking example is afforded by Prince Edward Island. In 1961 the population of Prince Edward Island was 103,000 people but 80 years earlier in 1881 it had a population of 109,000.

If we look at the figures for disposable income—that is income available for spending after the payment of taxes, etc.—the disparity is even more marked. As I said the Atlantic provinces today represent approximately 10.5 per cent of the Canadian population but they have only 7½ per cent of Canada's disposable income. In my next comparison I shall use figures since 1949, the year Newfoundland entered confederation, so that province will be included. Personal income per person in the Atlantic provinces in 1949 was $622 per person compared with $982 per person for the rest of Canada. In 1959 the figure was $991 per person as compared with $1,546 per person for the rest of Canada.

Incidentally, the figure for Newfoundland has increased from $472 per person in 1949 to $841 per person in 1959 which indicates that Newfoundland is making some progress toward closing the gap between that province and the other Atlantic provinces.

It is not right to say federal governments in the past have been uninterested in this problem or that no attempt has been made to counteract it over the years. On the contrary a great deal has been done. No less than 14 royal commissions have been set up at various times to study different aspects of the problems connected with the economy of the Atlantic provinces. Out of the recommendations of these commissions have come such legislative items as trade subsidies, freight rate assistance, coal subventions, equalization grants, and the establishment of the industrial development bank, just to mention a few.

Nor do I wish to detract from what the present government has done by way of Atlantic provinces special grants, increased subsidies and subventions for coal, small loans to business and other fiscal measures such as deferred depreciation. However, I maintain that this problem cannot be solved in a haphazard or piecemeal way by any number of isolated measures such as I have just mentioned.

Mr. Crouse: Will the hon. member permit a question?

Mr. Carter: No, I will answer questions after I am finished.

In the throne speech debate—

Mr. Browne (St. John's West): The hon. gentleman cannot refer to a previous debate as the hon. member for Bonavista-Twillingate pointed out.

Mr. Carter: I do not know what the hon. member is referring to.

Mr. Browne (St. John's West): On a point of order, Mr. Speaker, the hon. member is about to refer to the throne speech debate. I suggest to him that his friend the hon. member for Bonavista-Twillingate stated that reference cannot be made to a previous debate.

Mr. Carter: I stand corrected, Mr. Speaker.

A few days ago, in this house, the hon. member for Queens-Lunenburg (Mr. Crouse) who wanted to ask me a question cited a number of industrial activities in an effort to prove that economically the province of Nova Scotia is moving forward. I point out to him that in the same debate the hon. member for Grand Falls-White Bay-Labrador (Mr. Granger) in his excellent contribution also listed a number of industrial activities that are taking place in his riding which represent an even greater total of capital investment than that mentioned by the hon. member for Queens-Lunenburg.

Mr. Crouse: All under a Conservative government.

Mr. Carter: Just wait. We will see.

Mr. Pickersgill: A Conservative government in Newfoundland?

Mr. Crouse: Some day.

Mr. Grafftey: After the next election.

Mr. Carter: The hon. member for Grand Falls-White Bay-Labrador did not use that argument to imply that the over-all economic picture of Newfoundland and the Atlantic region is rosy. The truth is that these industrial activities are not the result of federal action but result from the efforts of the provincial governments.

Mr. Browne (St. John's West): Ho, ho.

Mr. Carter: Important and desirable as they are, they are barely sufficient to take care of the natural increase in our work force. In spite of the economic expansion referred to by the hon. members the economic gap between the Atlantic provinces and the rest of Canada is getting wider instead of narrowing as shown by the unemployment figures published by the dominion bureau of statistics.

In 1954 the work force of the Atlantic provinces numbered 501,000. In that year there were 33,000 people out of work the whole year round, on the average, representing 6.6 per cent of the work force. In 1956 there were 31,000 out of work the whole year out of a work force of 521,000, representing 6 per cent. In 1958 there were 67,000 unemployed for the whole year out of a work force of 544,000 representing 12 per cent of the work force.

Mr. Pugh: Do you have the figures for 1961?

Mr. Pickersgill: They are even worse.

Mr. Carter: Just wait. In 1960 there were 60,000 unemployed for the whole year out of a work force of 560,000 representing 11 per cent. To come to the latest figures which my hon. friend wants me to put on the record may I say this. The latest figures show that there are 84,000 people out of work in the maritimes—that is the last figure available and is for January 13—just exactly the same as the figure for the year previous, which was also 84,000. In other words, 14.7 per cent of the work force were out of work or unemployed on January 13 as compared with 14.9 per cent a year previous.

These figures do not tell the whole story as only 6,000 people joined the Atlantic provinces labour force between January of last year and January of this year. During the previous five years an average of 14,000 people had come into the labour force. If there had been a normal increase in the Atlantic province labour force of 14,000 people there would have been 84,000 plus 14,000 minus 6,000, or 92,000 people out of jobs on January 13. Between January 1957 and January 1962 unemployment increased by 5 per cent. However, the labour force increased by 12 per cent so that less than half of the new people coming into the labour force in the Atlantic provinces were able to find jobs. If this problem is ever to be solved, it must be done by special action on the part of the federal government. The provinces are powerless to do more than they are already doing until action is taken to remove the handicaps and disabilities under which they are now compelled to operate.

Reasonable people will understand that a situation which has been steadily worsening for over 80 years cannot be corrected overnight. Special treatment is required and special agencies must be set up to administer it. This solution must also be worked out within the framework of a national policy. It is foolish to pretend that this is going to be easy, and the effects of automation may render the solution even more difficult. It is obvious that if a region lags economically when the rest of the nation enjoys a boom, it is impossible to improve the economy of the backward region when the national economy is in a state of stagnation as has been the case during the past four years. The first step then must be to get the national economy rolling again.

In the past we have had a national policy nationally applied. The tax arrangements between the federal government and provincial governments which were pioneered by the Liberal party were aimed at making possible a Canadian standard of public services across the country. However, a national policy applied on a national scale cannot be adjusted with sufficient precision to take care of the great differences in economic conditions between the various economic regions of our country, because the instruments of control are too blunt to be adapted to the measures that must be taken. As a result, we have an overexpansion in one part of Canada while at the same time there is an underexpansion of the economy in another part.

I believe we must now go beyond aiming at a Canadian standard of public services and must aim at greater equality of employment opportunity. To achieve greater uniformity of economic development our national policy must be applied regionally instead of nationally. The national policy would set up the national goals for public and private sectors of our economy and then that policy would be applied in terms of regional goals for different economic areas. This may involve a new kind of budgeting procedure with the government presenting an over-all budget not for one year but for a period of say three years or even five years, with interim budgets brought in for essential adjustments. To implement this policy it would be necessary to set up, in my opinion, a new department of government, namely a ministry of regional development and rehabilitation. A regional development authority would also need to be set up to co-operate with industry, labour, and provincial and federal agencies in determining the best way of attaining the regional goals and to co-ordinate the efforts of all concerned so that the regional efforts can be integrated into the economy of the whole.

The development authority would have committees of experts to study and advise on the special problems connected with the resource industries of fisheries, agriculture, forestry and mining; the manufacturing industries and the marketing and transportation of our products.

I know that this sounds very much like planning, Mr. Speaker, and I have avoided using that word because the socialist party to our right seem to think they have a monopoly on it.

Mr. Martin (Timmins): Is that the socialist party to your political right?

Mr. Carter: The socialist party in the corner. I listened the other night to the leader of the New Democratic party. Later on in the evening I listened to the leader of the New Democratic party in the Ontario legislature; I refer to Mr. MacDonald. Today I listened with great interest to the hon. member from Kootenay West. They all seem to have the same theme. They all seem anxious to have the public identify socialism with planning.

Mr. Grafftey: Jean Lesage.

Mr. Carter: Even Jean Lesage. But no party or no group has a monopoly on planning. The kind of planning that we think of is very different from the planning advocated by the Leader of the Opposition—

Some hon. Members: Oh, oh.

Mr. Carter: —I mean the leader of the N.D.P., whose remarks I listened to very carefully, because what he was advocating was not planning but regimentation and that to my mind is the badge of socialism.

Mr. Herridge: Would the hon. member permit a question?

Mr. Carter: A little later. I am very leery of questions. A Liberal government would set up a fund to provide industrial capital and capital grants for basic projects. A great deal has been said about capital grants and there is no doubt that they have a place in working out a solution to the economic ills of the Atlantic provinces. But any sound recovery must be based on our resources and it seems to me that a capital grants program could perhaps be most usefully employed to level out the imbalance between upsurges and downswings in the economy.

The co-operation of the chartered banks would have to be solicited with respect to the provision of credit, and I believe it would also be necessary to expand the industrial development bank to provide credit when for various reasons the chartered banks cannot conveniently supply it. In addition, there must be a system of tax and trade incentives.

To come back to the Atlantic provinces, I would point out that our economic problems resolve themselves into two parts. One is the employment gap and the other is the income gap. These will have to be treated as two separate problems and the employment gap should be tackled first. Any improvement in the employment gap will automatically be reflected in an improvement in the income gap.

In applying this regional policy we must start with what we have, our resources, including our fisheries, forests, mines, our agriculture, our tourist attractions, our hydro electric potential and our potential for secondary industries. We shall have to expand these and diversify our products and find new markets for them.

It seems to me that the provision of new markets or of expanded markets is really the key to any solution of the economic problems of the Atlantic provinces because our trouble can be traced directly to confederation which deprived us of our natural markets. At that time we sold nothing to the central provinces. Our trade flourished with the United States, England and other parts of the world but mainly with the United States. If, as our leader suggested, we can develop an association with other countries in an Atlantic free trade area, it seems to me that this would go a long way toward remedying the handicap from which the maritimes have suffered ever since they became part of Canada.

Some means will have to be found to induce manufacturing concerns to settle in the Atlantic provinces and to discourage Canadian firms from closing branches which they have in those provinces. All too often in the history of our region it has happened that somebody has started a little industry in a small way and when the industry has begun to flourish a firm from central Canada has come down to the maritimes, bought out the little industry and then closed it with the result that people have been put out of work. I think that sort of thing should be discouraged and in my opinion it can best be discouraged by providing tax incentives which would make it uneconomic to close down these small branches. They are not closed down because they are losing money or are unprofitable but are closed down in many cases because the companies concerned can make more money by doing so. This, of course, means hardship to the economy of the area affected.

I think we could also very well borrow an idea from Eire and some of the European countries and extend a tax rebate on profits derived from exports. That should encourage manufacturing industries from other countries to establish themselves in the Atlantic

provinces, and since these firms would already have their markets that problem would be taken care of.

The income gap, of course, is going to be much more difficult to close than the employment gap. With deference to the hon. member for Kootenay West (Mr. Herridge), I would think that with a planned program over a period of ten years, or two five year programs it should be possible to close the employment gap fairly well. But I am not so optimistic about closing the income gap because even if we level out the rate of expansion it will be well nigh impossible for the Atlantic provinces to overcome the lead which the rest of Canada now has. Perhaps that problem will be taken care of some day by automation because there must come a time when production in the central provinces will level out and as automation becomes more common costs of production will be fairly well evened out as well.

If we can remove the handicaps of the extra cost of living and the additional transportation costs which now enter into our cost of production in the Atlantic provinces, I see no reason why the ingenuity of our people cannot make the economy of the area dynamic once more and do so not only to the benefit of themselves but to the benefit of the whole of Canada.

Mr. Crouse: Will the hon. gentleman answer a question before he takes his seat?

Mr. Carter: Yes, what is it?

Mr. Crouse: You began your speech by mentioning the low income and low population in the Atlantic provinces. I think this is the greatest indictment of the Liberal government which was in power for 22 years that I have ever heard in this house. Then, you went on to mention the Atlantic provinces adjustment grants—

Mr. Speaker: May I interrupt the hon. member for a minute? First, I should like to remind him to address the Chair rather than the hon. member. Then, he is not taking the floor to make a speech, but to ask a question.

Mr. Crouse: Thank you, Mr. Speaker. Having said that, having commended the government for its Atlantic provinces adjustment grants, he then said that this type of assistance is not the answer to the problems of the Atlantic provinces. Is the hon. member against the Atlantic provinces adjustment grants?

Mr. Carter: I am sorry; I did not hear the question.

Mr. Crouse: Are you against the Atlantic provinces adjustment grants as put into force by this Conservative government?

Mr. Carter: I said nothing that would lead to that conclusion. My hon. friend does not understand plain English.

Mr. Heward Grafftey (Brome-Missisquoi): In many ways, Mr. Speaker, I do not find myself at the moment in too enviable a position. The hon. lady who started off this debate started it in a sort of high, statesmanlike tone, talking about economic growth. This is another issue upon which Her Majesty's loyal opposition has, all of a sudden, seized. Then, the Minister of Trade and Commerce (Mr. Hees) met this question head on, and I thought for a moment—

Mr. Pickersgill: Got it right down into the gutter.

Mr. Grafftey: —I thought for a moment we were going to lock horns in a very profitable debate. I say, sir, that I find myself in a relatively unenviable position because the hon. member who has just spoken represents an area which, like other areas in this country, is faced with serious economic problems. I have spoken to hon. members from Newfoundland who support the government, and they have told me time and time again in informal conversations of the great problems of this area. It is very difficult when an opposition, which somehow or other shuns debate, starts off on a very high tone giving a very general theme and then before the debate really gets started they go into the details of regional considerations. I doubt even that the hon. member's speech will read that intelligently back home; it certainly has not contributed to what I hoped would be a very worth-while debate.

The hon. lady who led off the debate said there was an emergency at hand and that no vigorous measures had been taken. Then, what did the hon. member who has just spoken say? He talked about a ministry of regional planning and regional development, set up by experts who are going to think about the problems, then think about them again and then, as the opposition so often suggests, submissions would be made to another council for consideration which, in turn, would submit them to another advisory council. Perhaps we would have an opinion in about ten years. This is the answer of the opposition to the demand for immediate action. I shall have something to say about this type of debate in a few moments.

(Translation):

Mr. Speaker, some time ago, members of the opposition tried to ride another subject

to death by attacking, but without success, our leader (Mr. Diefenbaker). Second, in previous years, they tried to create the impression, both at home and abroad, that the economy of this young and great Canada of ours was in a precarious state. Fortunately, they did not convince the Canadian people.

Today, in attempting to back up their fantastic tale, they are using, not one statistic, but part of one statistic, to prove or to try and prove that Canada is in a very bad way.

(Text):

I realize that it is the role of the opposition to seize upon worth-while issues upon which to go to the people. First of all, many months ago, even years ago, before the opposition got settled in their chairs, they preached that well known story of gloom and doom to Canadians. They have given up that attack because they understand it has gotten them nowhere.

Mr. Carter: Are you contributing to the debate now?

Mr. Grafftey: Then, sir, they tried to attack our leader. They have abandoned this method of attack. Today, when there are so many statistics which prove that Canada is moving forward—you can look at carloadings; you can look at any amount of statistics including export statistics presented on the floor of this house this afternoon by the Minister of Trade and Commerce—what do they do? They do not seize on one statistic, they seize on a part of one statistic, namely the percentage factor in relation to the gross national product. They are trying again, I submit unsuccessfully, to prove that this country is in a state of gloom and doom. This is not the case. We have only to look at the material growth of our gross national product since this government has taken office to ascertain that such is not the case. I cannot state the statistics exactly, but I suggest our gross national product has gone up approximately from $30 billion to close to $40 billion under the present administration. What do they do with this statistic? They seize upon the percentage. This will not work.

When the hon. lady began this debate this afternoon, I could not help feeling she was touching upon what might be considered to be Canada's version of the new frontier policy. Well, she and almost every Canadian today have great admiration for the vigorous president who is leading the United States in difficult times both at home and abroad. I do not say this in a self-satisfied way, but I should like to reiterate what has been said time and time again, that the new frontier policy employed in the United States, that policy which was dedicated to helping move the United States forward, as I am sure the hon. lady would have liked to say, was taken from programs already initiated in Canada. I ask all hon. members, then, what a paradox. We see the Canadian government initiating policies in relation to trade matters, financial matters, housing problems, winter works problems, which in turn were incorporated into the new frontier policy. What a paradox it is that these very policies the hon. lady has commended have gone from Canada to the United States and, I do not say this in a self-satisfied way, have come back again only to be praised by hon. members of the opposition.

The hon. lady mentioned the fact that during the last presidential election in the United States, the gentleman who is now president, in his campaign said that the United States was not moving forward quickly enough or at a fast enough rate. The hon. lady referred to lethargy both at home and abroad and said reference was made to that in the presidential campaign. In doing so she said that we on the government side of the house should not be too critical of the opposition when they criticize us. However, I should like to say with all the force and sincerity at my command that at no time during that presidential campaign did any member of any political party sell his country short at home and abroad in the same way as members of the Canadian opposition have been doing for the last three years.

I would be the first to admit that the presidential campaign evolved around this notion of lethargy at home and abroad, but I would repeat again and again that this planned campaign of doom and gloom at home and abroad was never employed by members of political parties across the border in the same way as it is now being employed by members of the Liberal opposition, both inside and outside the Canadian House of Commons.

The hon. lady also mentioned the president's initiative in relation to a department of urban affairs. However she did not mention the fact that this initiative was meeting with more than a modicum of difficulty in the United States congress, and I would like to bring that fact to her attention. I do not believe I am going too far out of range when I say that time and time again, both inside the House of Commons and outside it, I have hoped that a department of provincial and municipal affairs could be seriously considered by this government, particularly because this government has taken the position of the provinces and municipalities more seriously and has done more to better their

affairs than any other government. No government has done more than the present Progressive Conservative administration in that respect.

The hon. lady also mentioned an advisory council and I listened to her proposal with great care. She said there was an emergency, that we needed action right away, not tomorrow or in years to come. She said we needed action to move Canada forward now, but all she had to offer was an advisory council. No member of the opposition will point out the difference between such an advisory council and the present productivity council which is already performing on the Canadian scene. But you know, sir, when the experts write your speeches for you, when the experts are not in touch with the people in the House of Commons and really do not know what is going on, when all you do is to pay a little trip to the top of the ivory tower and come down and make your speech, then you find that very often errors of this nature are made. As was the case today, debate becomes difficult for the opposition when all they have are prepared speeches. I have a great respect for experts when they play their rightful roles in the economic and political scene, but today the House of Commons is being treated to a most unique type of debate. We have had opposition by press clippings, and now we have opposition by speeches prepared by experts and quasi experts.

As I look over at the empty opposition benches I am quite sure that the hon. members who have just made speeches are not upstairs correcting them because speeches that are read, speeches that are prepared by the experts and quasi experts in the ivory tower, need very little re-editing, but they do not do much to enhance the pith and substance of debate in this house.

The other day the hon. member for Bonavista-Twillingate took it upon himself to lecture the house—

Mr. Pickersgill: I am rising on a point of order and perhaps the hon. gentleman will say that in doing so I am lecturing the house again. But, we are carrying on a debate on a motion, an amendment and a subamendment, and not on the method by which the mover of the amendment prepared her speech. Evidently because he has nothing to say himself, the hon. member has spent most of his time making insinuations about the way the hon. lady prepared her speech. I believe it is the rule of the house that we assume, unless there is concrete evidence to the contrary, that every hon. member prepares his or her own speech, and I suggest the conduct of the hon. gentleman is not only ungallant but not parliamentary.

Mr. Speaker: In so far as a point of order is involved in reference to the reading of previously prepared speeches, the point should be taken at the time the speech is being delivered.

Mr. Grafftey: The hon. member who has just taken his place took it upon himself to continue to give us a very forceful lecture on the role of a government in the Canadian scene. He said a government is only normally tested when there was some major issue involved—

Mr. Pickersgill: You are breaking another rule by referring to a previous debate.

Mr. Jones: On a point of order, the hon. member for Bonavista-Twillingate should rise in his place when speaking. He is not even in his own place.

Mr. Speaker: I would ask the hon. member for Bonavista-Twillingate not to speak without rising.

Mr. Grafftey: I am sure all hon. members will agree it is incumbent on members of the opposition to produce these so-called large issues for election purposes, but the hon. member for Bonavista-Twillingate said one of the tests that a government must stand up against is how well has it governed the country. Hon. members of this government and its supporters are going to stand up to that test. Our record is going before the people and we shall be judged by it. However, after today's performance by the opposition there is one test I feel the opposition should face, and that is that they should prove to the Canadian people that they have a logical and responsible alternative government for them. On the basis of their performance today I say the opposition do not have a responsible alternative, if any alternative at all, to put before the Canadian people.

Mr. Speaker: If the hon. member would find it convenient to discontinue his address at that point, then I call it six o'clock and leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Grafftey: Before the house recessed I mentioned that the hon. lady who opened this debate had said that in her view this country was not moving forward fast enough in an economic sense. The paradox that I think should be put before the house is this: she cited the energetic proposals

which had been placed before the nation to the south of us; she cited the energetic proposals placed before the United States by the president of that country. We are not supporters of a government which believe it has a cure for everything, but I repeat that the administration in the United States did, in the course of its frontier program, make use of many of the programs which had already been initiated by the present government. This is a fact. Thus we have a curious situation: we see policies and programs criticised by the opposition when they are initiated in Canada being adopted by the administration in the United States, at which point they are praised by the opposition in Canada. That represents, surely, the most amazing about-face that anyone in Canada has seen for some time.

Another thing which I think should be drawn briefly to the attention of hon. members is this: the hon. member for Bonavista-Twillingate took it upon himself the other day to lecture us on the proper role of a government. He said: if there is no major issue which can be brought forward, the government must be judged on its record. I agree that this government must be judged on its record; it is a record which everybody in Canada will recognize as a good one. I, in turn, would like to tell the hon. member for Bonavista-Twillingate that oppositions also are judged on their records; they must produce these great issues to which reference has been made. So far in the last four years, they have produced none. They are trying to seize an issue in this supply motion today but I cannot recall one single significant national issue which the opposition has brought forward in all these years. Another thing which an opposition must do is to supply a reasonable alternative to the Canadian people. They must be in a position to be able to say to the Canadian people: if we, the opposition, turn the government out we have a logical and sensible alternative. After listening to the treatment which the opposition have given to this supply debate today I cannot see even the beginning of a serious proposal which would form such an alternative.

(Translation):

Mr. Speaker, I must admit that the hon. member for Niagara Falls (Miss LaMarsh) said some interesting things in her speech. She mentioned the efforts of the president of the United States to set up a department of urban affairs even though this project has been blocked until now by the American congress.

Now, only a few days ago, I suggested myself in this house the establishment of a body whose duty would be to look after provincial and municipal affairs. No other government has ever done more than the present government, under the able leadership of the Right Hon. John G. Diefenbaker, for our provinces and municipalities.

I do not say that we have given everything to the municipalities and provinces, but at least we have given recognition to their rights.

As I said earlier, Mr. Speaker, I think we should give serious consideration to the establishment of a municipal and provincial affairs board. In my opinion, such a board should come under the Department of the Secretary of State because, after confederation, it was that department which was charged with looking after federal-provincial relations.

Mr. Speaker, our municipalities are in for great developments in the future. Under the constitution, municipal affairs are considered as a provincial responsibility. For that reason, I may have to suggest another name for the agency I have in mind.

We have several joint programs. I think federal-provincial joint programs could be co-ordinated under such an agency. Each program would then come under the jurisdiction of the department concerned.

The present government has done much to acknowledge the rights and needs of our municipalities. I am thinking especially of housing programs, winter works programs, etc.

That is why I feel we should give serious consideration to the establishment of a municipal and provincial affairs board.

(Text):

As I have shown, hon. members in the opposition had great difficulty in presenting us with a logical alternative. If there was an alternative which they were capable of presenting to us, it was an alternative highly characterized by an elaborate system of bureaucratic control. I, for one, do not wish to gaze into a crystal ball like some members of the opposition. I have heard various suggestions concerning what the main election issue will be but I feel one thing is obvious to all hon. members. As I said in this house a few days ago we cannot become involved in the classical debate of free enterprise versus socialism. I believe, and perhaps many hon. members share my belief, that it is a question of degree.

Mr. Pickersgill: Will the hon. gentleman permit a question?

Mr. Grafftey: At the conclusion of my remarks.

In the 1957 election the Canadian people made it clear that they wanted government returned to the people in the Canadian House of Commons. The hon. member for Niagara Falls discussed the possibility of free enterprise versus socialism being a debating topic in the forthcoming election.

In 1957 the Canadian people, while recognizing that the civil service of this nation is second to none, took the position that the government of the day was to too large a degree governing by order in council, permitting far too much bureaucratic control to creep into the government of this country.

It was amusing to hear the dialogue in the house this afternoon. A wonderful debate occurred on the meaning of the word "planning". The socialists advocate planning in one way and the Liberals in another. I have always said the whole opposition can be lumped together. Just the other day one hon. gentleman jumped from the socialist camp into the Liberal camp. There was a slight discussion in the press about personality differences but I suggest the transition is easily made these days because those who advocate a high degree of bureaucratic control masked as planning are really advocating the same thing.

I will not pretend that the question of appropriate degree is a simple matter but the government I support believes that the individual is more important than the state, that the state exists for the individual and not the individual for the state.

Hon. members opposite be they socialists or Liberals are advocating bureaucratic control, but their arguments are not always forceful. When I heard the new leader of that little group in the far corner of the chamber speak today in those terms of watered down socialism I said to myself, "Gone are the days of the fire and brimstone of the Regina manifesto". They never talked about nationalization. My hon. friends kid us about turning our back on the free enterprise system. We have always stood for the free enterprise system and we have always let the Canadian people know where we stand. Those pronouncements which emanated today from the hon. gentleman in the far corner are a far cry from the fire and brimstone of the Regina manifesto. Where was the call to real militancy?

The hon. gentleman said there was a large area of agreement between the Liberals and socialists. Such is the degree of agreement that, as I said, just a few days ago one hon. gentleman jumped from one bed into another.

An hon. Member: Oh well, they say a change is as good as a rest.

Mr. Halpenny: Polygamy.

Mr. Grafftey: There was no doctrinaire debate about the hon. gentleman's defection. The attitude taken was: I was unhappy in the old bed so I am going to try a new one. Gone are the days of fire and brimstone and lines of clear demarcation. It became perfectly clear in the debate this afternoon that both opposition parties are advocating a high degree of state control, the very thing the people rejected in 1957 and will again reject in 1962. When the Canadian people gave a mandate to the present administration they were putting back in the House of Commons the voice of the people of Canada, and it is here to stay.

When I look at all the horsemen on the front benches of the Liberal party—

Mr. Hees: That's the nicest way you could have put it.

Mr. Grafftey: —what do I find? One would have thought that finding themselves out of office the Liberals would have put in the front benches people who would have attempted to get close to the grass roots. Instead, on the front benches we find the same old experts and former civil servants who were prominent on the front benches when the Liberal party formed the government. Experts and civil servants have a valuable role to play in their appropriate place but the hon. gentlemen who sit on the front benches of the Liberal party are far removed from the people.

Mr. Starr: They are in the same old rut.

Mr. Grafftey: Yes, we have the same old faces. They have assumed leading roles in the opposition and instead of getting down to the grass roots and attempting to determine the needs of the people, the wishes of those they represent the Liberals have surrounded themselves with these ivory tower experts.

If there is anything this debate is making clear it is the lack of difference between the opposition parties, and the genuine difference between them and the present government. Differences should not be brought to the attention of the Canadian people just for the sake of doing so. But the difference is there. The Liberals and socialists are today advocating a high degree of state intervention and bureaucratic control in critical but peacetime years. The Canadian people will not tolerate this. As long as I hold my seat in this house I will fight for the principle that the state must not be placed before the individual.

The hon. member for Niagara Falls said what was needed was an immediate stimulus

for the economy. In her remarks she came out fighting and I expected to see everybody in the opposition file in behind her and fight with her. She proposed a shock treatment for the Canadian economy. The measures, both long term and short term, introduced by this government are having an immediate effect on the economy. A former minister of trade and commerce stated that these problems could not be solved by the palliatives of doctrine but must be attacked on a day to day basis realistically, problem by problem. What do hon. members of the opposition do when the government introduces measures designed to meet the problems confronting us? They isolate each measure and claim it is the only thing we have up our sleeve. They state it is too little and too late. They refuse to recognize the integrated attack the government has made on the complex problems confronting us.

The government does not claim that any measure it has introduced is a cure all but taken as a whole the measures introduced represent a means of assisting this nation to attain its long term economic and national objectives.

Hon. gentlemen opposite like to use the word "planning". I am not fully certain what kind of planning the Liberals stand for as opposed to the socialists. But I know that all hon. members regardless of party affiliation recognize that whether we like it or not—some like it and some do not—the government has a role to play in the economy, a responsibility to accept. Whether that role is large or small the government must realistically discharge its obligation and plan the means of doing so. I will be the first to admit that. This discussion of the word "planning" is merely a play on words on the part of hon. members opposite. The government has never hesitated to admit it has this responsibility to discharge in moving the economy forward. This government has done more than any previous government to recognize the needs of the provinces. In fact, our deficits in the last few years can be measured against the increases in subventions and assistance to the provinces. We recognize that roads, schools, highways, hospitals, etc. must be built. I am not suggesting that the government is doing the municipalities and provinces a favour in offering them assistance. The government is realistically tackling the problems confronting our provinces and municipalities.

Hon. gentlemen opposite produced no evidence of any difference between their advocated so-called advisory council and the government's productivity council. No government has done as much to provide leadership in planning and co-operation between all levels of government, and in agriculture, and between labour and management. This is imaginative and real—

Mr. Pickersgill: Imaginary.

Mr. Grafftey: The leader of the new party in round and august terms mentioned social justice and said that they stood for social justice. I should like to say that we are just at the beginning of a session which has passed some of the most far reaching social justice measures ever seen by the Canadian people. I refer to pensions of all kinds and social justice measures of all kinds. It was the same in the old world. Prime Minister Disraeli of England often said that the socialists and Liberals talked about social justice but it took good Conservatives, men such as Shaftesbury and Disraeli to come along and actually deliver the goods. Hon. members opposite are talking about social justice at a time when some of the most far reaching social justice measures have been put before the people of Canada.

(Translation):

Mr. Denis: Tell us about the two flags.

Mr. Grafftey: The hon. member wants me to talk about the two flags. Well, I will tell you one thing, Mr. Speaker. While our friends talk about two flags in the province of Quebec—

Mr. Pigeon: Six flags.

Mr. Grafftey: —three, four, five and even six flags in the province of Quebec, we, of the Conservative party, have only one policy for all Canadians, the same policy for every province.

(Text):

Mr. Denis: What is your flag? Tell the people of Canada what your flag is.

Mr. Grafftey: It certainly will not be the "no flag" produced by hon. members opposite after 22 long years in office.

Mr. Denis: What is yours?

Mr. Grafftey: Twenty two long years in office and they will be more than 22 long years in opposition.

Mr. Denis: They will not be 22 long years in opposition.

Mr. Grafftey: The Minister of Trade and Commerce brought before all members of this House of Commons results in relation to Canada's trade position in the world today. Hon. members in very general terms have criticized our attitude toward the common market and in very general terms have indicated they are in favour of free trade. However, I should like to ask them this question, and I put this point to them in clear terms.

Would they have had the present government not put forward the Canadian point of view both at Accra and in London when England sought and seeks membership in the common market? I am led to believe, in fact, by what I hear, that the British authorities are very glad to have the Canadian point of view so ably stated, something which helps our and their position in every way as they seek entry into the common market.

Mr. Pickersgill: That is a raspberry.

Mr. Grafftey: The hon. member for Bonavista-Twillingate says that is a raspberry. They have just thrown up a smokescreen, a hysterical smokescreen.

Mr. Starr: They never spoke up when they were able to do so.

Mr. Grafftey: The present government did speak up. As England seeks membership in the common market the Canadian government diplomatically, clearly and forcefully stated the consequences for Canada and the considerations that should be considered by the British authorities as they sought entry into this very worth-while organization. Would members opposite have wanted the authorities of the Canadian government not to have put the Canadian case forward? I say no. I challenge them to state a real reason for their two-horned opposition to this question.

I simply say that the measures that the present government are putting before the Canadian people are having an immediate affect. The hon. lady read a long document and not once did I observe a measure that would have an immediate affect on the economy. We have had speech after speech written by the experts and read by members opposite. These have been inflicted on this House of Commons but they have contained no immediate solutions. I am not saying that this government has all the answers. What I am saying is that this government has played its part in the responsible role of a federal authority in co-operation with the municipalities and the provinces. It has played its imaginative and dynamic part in helping to move Canada forward to its long and short term national goals. The Canadian people in a very short time will recognize this record. They will also recognize the type of opposition put forward in debate such as that which we have had this evening by the opposition. They will recognize that the opposition have not produced a major issue. They will recognize that the opposition have not produced a logical or serious alternative. They will recognize that the opposition, be they socialists or Liberals, advocate that degree of state control which is abhorrent to Canadians, a degree of state control which they rejected a few years ago and are going to reject again. I think the people should know it for what it is. I am glad that the opposition have been talking in the way in which they have been talking.

Mr. Pickersgill: The hon. gentleman was kind enough to indicate that he would answer a question of mine at the conclusion of his speech. I should like to put this question to him. When he said that there was not an issue between free enterprise and socialism, that it was a matter of degree, has he put that view to his leader the Prime Minister, who says there is such an issue.

Mr. Grafftey: I answered that question very clearly. I think all Conservatives today realize that the debate is a question of degree. The old debate with regard to free enterprise versus socialism and the bitter struggle of the "haves" against the "have nots" and class warfare which took place in the old world is not taking place today. That is why I believe so many of their doctrines go out the window so to speak. I believe that all Conservatives in their heart of hearts recognize that it is a debate on degree. We are much closer to the free enterprise opinion than the hon. member.

Mr. Deputy Speaker: The hon. member's time has expired.

Mr. Herridge: Would the effervescent hon. member—

Mr. Deputy Speaker: Order. The hon. member's time has expired. I recognize the hon. member for Burnaby-Coquitlam.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I am sure all of us were most interested in the delivery of the speech made by the hon. member for Brome-Missisquoi (Mr. Grafftey). I agree entirely with the hon. member for Bonavista-Twillingate (Mr. Pickersgill) that it might be advisable for the hon. member who has just spoken to have had consultation with his own political leader. We remember only too well the election challenge which was issued. If he really means that it is a matter of degree I would recommend to the hon. member for Brome-Missisquoi that we might manage to find room for him in our particular corner. However, the hon. member admitted that planning was necessary while at the same time he contradicted himself when he warned against the bureaucrats and against the state. I should like to think that the state and the individual are not two separate entities. I should like to believe that the state represents a group of individuals acting together as an entity. I believe that this continuous harping on potential bureaucrats

is an insult to the integrity of the civil service we have in Canada at the present time. Attempting to build in the minds of Canadians the concept and the fear that the state and the civil service is something which is necessarily evil and which must be avoided at all costs I feel is not doing a good service to the development of either the Canadian nation or the welfare of the Canadian people.

The Liberal amendment is one that, taken at its face value, could almost be agreed to by any political party in Canada. In effect all it calls for is an increase in the rate of economic growth in the country. I believe I have even heard members of the government admit that in the interests of resolving the problem of unemployment every effort should be made to increase the rate of economic development. The issue is not whether an increase in the growth rate is desirable; the issue is the manner in which we desire to increase the rate of economic growth.

I agree entirely with the hon. member for Niagara Falls who moved the amendment, that the problem of the growth of the economy is likely to be one, if not the major, election issue. The Prime Minister has told us in no uncertain terms that in his opinion the election issue is going to be free enterprise versus socialism, which to my mind is merely another way of saying very much the same thing as was said this afternoon by the hon. member for Niagara Falls about the potential election issue. However, we would be interested in discovering from either the Liberal or Conservative parties, or both, the manner in which they propose to increase the rate of economic expansion of our country.

According to my observations the Conservative remedy seems to be a patchwork of reforms and the instigation of economic activity through the winter works program, which is highly desirable and most beneficial, and vocational education, which is equally desirable if not much more so in the long run; but according to the observations of this group there appears to be no major or massive planning designed to give the whole economy of our country the lift that it so badly needs. As a matter of fact, in the main the Conservatives seem to reiterate the necessity of maintaining what they choose to call the free enterprise system but which in my books, having in mind the force that every government has and must necessarily have, is nothing more than the use of force to maintain the status quo. In my view this has always been expressed most neatly by simply saying that we live under a dog eat dog system wherein everyone to the maximum possible degree is allowed to do exactly as he pleases, without regard to the public interest, and wherein there is really no genuinely free enterprise. It is very much controlled enterprise but controlled by corporations and powerful interests who are not necessarily held responsible for the public welfare as a whole. The Tories have yet to show that they have any intention of making the powerful economic interests in Canada raelly responsible to the over-all interests of the Canadian community.

We have lived through enough years of Liberal economic policy to recognize this debate for what it is. Yes, they will speak in the language of New Democratic policy but they will not dare to come out with specific remedies. They will not say by what method they will increase the tempo and the level of economic activity in our nation. The hon. member for Niagara Falls mentioned a few possibilities. Mind you, Mr. Speaker, she did not advocate that these remedies be applied in Canada, but she did hold up to us certain examples of what was happening in a number of other countries in the world. She mentioned tax concessions and tax exemptions. This reminded me of the tax free holidays granted to multimillion-dollar corporations, of which I have seen far too much in recent days, and which in the long run mean only the exploitation of resources and of people, with nothing left behind to show for it.

Is it the policy of the Liberal party to offer tax free holidays of five, 10, 20 or 30 years to exploiters so that they may come to Canada and give us work in order that our human resources can be applied to our natural resources? I think the Liberal party owes an explanation of what they mean when they speak of potential tax concessions, tax exemptions and reductions in taxation. Is this the catering to big business in which the Liberals indulged so liberally during their heyday in Canada? We know what it means in the long run. When corporations are given a free hand and every encouragement to invest here and to do as they please in our country, especially when non-Canadians are invited to do so, it means that we have an economy of boom and bust.

Under the circumstances existing in our country at the moment I am quite willing to concede that if the Liberals and Liberal candidates already nominated were to take the reins of office, unemployment possibly could be eliminated. However, I should like to ask them, how many unemployed will we have five or ten years hence when the long term efforts of their shortsighted policies make their influence felt? After the kind of

policies they are now advocating were enforced by the former Liberal administration, and they ran into a snag, they resorted to the remedy of confiscation of the savings of the people in that they deliberately permitted inflation to rob the hard-earned savings of ever so many Canadians, which has now brought about very serious additional problems in Canada.

If we want to increase production we must also consider the means by which we increase the level of economic activity in our nation. It is very hard for me to determine which comes first, the chicken or the egg, with reference to the financial structure prevailing within our country. I contend that an organized financial house, nationally speaking, is one of the major needs so as to increase national production. It is said that money is the root of all evil. An ordered financial house might be a great blessing at this time to the vast numbers of unemployed and to other Canadians who are in need.

If the government is looking for additional revenue in order to implement this objective, I would highly recommend that it reverse its present policy, begin to pursue a policy of the ultimate maximum production in which our people are able to engage and end its advice to various segments of the Canadian community to reduce production in order to maintain artificially high prices. To me such advice is not only immoral but in the long run I feel it is also harmful to the welfare of our people. The problems of Canadian agriculture, for example, will never be resolved by a policy of advising our farmers to reduce their levels of production if they want to maintain existing price levels.

If the government wants to put its financial house in order it ought to pay some attention to what is happening in the field of foreign investment in Canada. I am not necessarily opposed to Canada welcoming investment on the part of people living outside our borders. However, I find it a little difficult—and I do want to add this qualification—to understand how we can expect world peace in the long run if we, one of the wealthiest nations of the world, on balance are importers of capital. I believe we have a moral obligation to the development of peace and prosperity throughout the world to become, on balance, an exporter of capital instead of depending for our prosperity on an unfavourable balance in the matter of foreign investment.

We advocate the establishment of a federal investment board. If we want to have economic growth, we cannot afford to allow those who have investment capital at their disposal to invest it wherever it happens to please them, without regard to the investment needs of other segments of our society. I am very impressed by what is happening in a goodly number of other democratic nations in the world, where each year responsible officials assess the likely investment needs of their national government, of local governments, of quasi government agencies and of private enterprise. After assessing the likely national needs, they then get together and assess the possible investment capital that can be raised through the government and on the open money market. Then they arrive at an agreement, a compromise or an understanding, and in a number of cases the levels of government do not all run to New York to begin cutting each other's throat, begging the money-lenders in New York to buy their bonds.

Mr. Jones: Mr. Speaker—

Mr. Regier: I have only a limited time.

Mr. Jones: Perhaps if the hon. member would tell us to what country he is referring.

Mr. Regier: I hope I will be able to hear the hon. member some other time. I understand that in the commonwealth of Australia there is an annual gathering of all three levels of government. They agree upon their essential investment needs, then the government of the commonwealth goes on the market and obtains this money, allocating it to the other levels of government. This kind of policy would save our municipal and provincial governments millions of dollars of needless interest. This is the kind of policy that our party would support. We believe we should go even beyond that, call in the private investment sector and act in consultation with it. I believe we must enlarge very greatly the role of the Bank of Canada in our nation.

At the time the Bank of Canada was originally conceived, our chartered banking system was the major source of capital within our country. Today, however, they are no longer the major source; they are very much the minor source. Even our credit union movement in Canada authorizes investments that are already close to one third of the volume involved in the operations of our chartered banks. Our insurance companies have powers vastly exceeding those of the chartered banks. I am not making a speech against the chartered banks. We have our central bank which is in constant consultation with the chartered banks. I believe the Bank of Canada is largely fulfilling the purpose, in this respect, for which it was originally designed. What I am saying now is that there are many other financial institutions operating on the Canadian scene whose operations largely offset the good intentions of our Bank of Canada in the monetary world. It is high time, as was advocated by Mr. Coyne in his controversial

report to the Minister of Finance (Mr. Fleming), that the minister considered the limitations under which the Bank of Canada has to operate at the moment. The former governor of the bank pointed out the other influences which had grown tremendously within recent years. I hope that the government will give very serious consideration to at least this aspect of the report of Mr. Coyne.

I hope that no one will assume, when I say that we must set our financial house in order, that either I or this party at any time advocates pressing the button to start the printing presses rolling. This would be against our basic principles. We believe that the amount of money in circulation is not only a matter of convenience but it has much to do with the bringing together of the human and natural resources; with the exchange of goods and with bringing in the purchasing power of those people who have been able to save, to the advantage of national development and employment. Many people will argue that when the last world war started the government very quickly found the money necessary. It ought to be obvious that we paid for that inflation, the inflation of our currency which was necessary for our participation in the war effort. The inflation of the savings of our people since the war has made us realize that to start the printing presses rolling, while it was urgently required at the time, was not helping to solve our problem in the long run.

We believe also that the government, to set its financial house in order, must return interest rates to at least the level they were when this government took office. I hope that some day financial experts will assess the tremendous cost to the Canadian people, in ever so many ways, of that deliberate increase in interest rates that was foisted upon the Canadian people and the Canadian economy. I hope they will be able to assess, with some reasonable accuracy, what the cost has been to the Canadian nation. I should like also to plead with the government to do everything it can and be at all times conscious of the need for it to remain completely sovereign over its monetary policy.

We are always willing to co-operate on the international level, but it is important, if a nation is going to be economically independent, that it also have complete control over its own monetary policy. I am not too sure that this has always been so in the past. As an aside to my remarks on finances, I should like to underline my opinion, expressed on other occasions, that before proper economic development in Canada can become a reality, we have to realize that our concept and structure of tariffs is completely outmoded.

There are only a limited number of nations in the world that have retained this government's attitude.

Now, I want to say one word about aid to the underdeveloped areas. I know a lot of Canadians will say, why not look after our own people first; charity begins at home, and the like. I would like to appeal to these people that aid to underdeveloped areas in Canada is the right thing to do, and we should do it primarily because it is the right thing. However, it is also very important for the maintenance of world peace, and particularly if we mean what we say, that we want to block the spread of communism, that we increase the level of our aid to underdeveloped areas. Apart from that major consideration, aid to underdeveloped areas will in very direct ways supply a boost to the Canadian economy and will supply employment for our people at home. When our manufacturing plants produce machinery that is used in Kenya or India then our workers have better chances of employment.

On this occasion Canadians are not going to be stampeded into a period of boom by Liberal policies of tax reduction and tax incentives, with ruthless exploitation of natural and human resources leading to increased foreign ownership and control, producing large surpluses and a depressed agriculture. As a socialist I am a conservative—with a small "c"—in this attitude, namely, that it is the height of irresponsibility to say "here are the people and they have the know-how; here are our tremendous natural resources; please come over and exploit us for our short term benefit and your profit".

The words "conservation" and "orderly development" are becoming ever increasingly important to the Canadian people. This time Canadians are not going to be stampeded by Tory hero worship, by high rates of interest, by financial concessions to the financial institutions, by more slick exploitation of national consciousness, by huge election war chests and the politics of sheer political expediency. This time a growing number of Canadian people will realize that if we are going to live as one happy family in Canada then we have to start behaving as members of a family. As members of one family we ought to be prepared to explore and assess our natural human resources. Then we shall have to decide on our needs and limitations, and how those human resources can best be applied to our natural resources so that the maximum number of our people will be able to enjoy employment and the social security they need so badly.

The federal government of Canada is the most powerful economic interest that the country has. We must recognize this, and we must also recognize that the government has a responsibility as to what happens to the economic destiny of our people. We must recognize that the people as a whole must decide to use this instrument of government that was designed for them out of the sacrifices of their forefathers. This instrument was designed for the people and the people must use it to determine their own economic destiny as they have hitherto been using it to determine their political destiny. I am therefore happy to support the amendment to the amendment proposed by my house leader.

Mr. R. C. Coates (Cumberland): I would have anticipated a more realistic approach on the part of the opposition to this first supply motion especially when one considers that most if not all the economic indicators of importance point to a strong upsurge in our economy. Instead we continue to hear the old tale of woe, the old tale that has come from that side of the house since 1957. Unfortunately they have been unable to separate their hopes from the realities of today.

I think all hon. members of the house remember the Templeton doctrine—high unemployment means good times for the Grits because they are in opposition. In fact that seems to be the underlying plan on the part of the opposition, and has been ever since 1957. Unfortunately for them this has not happened. Their predictions have not come true and they have not come true for a very good reason—because this government took the action that was needed to put our economy back on the road to success. If the Liberals do not soon remove themselves from this fools' paradise in which they live, then they will soon discover that the defeat of 1958 is only a taste of what they are going to get later this year.

It is a constant source of amazement to me to see hon. members from the Atlantic region, who were in this house before 1957, rise in their places and speak of doom and gloom in our economy when comparing our part of the country with the wealthier provinces in Canada without at the same time mentioning, even in a passing way, the many tremendous things that have been done by this government to lift our economy up and put us on the road to recovery, and to greater heights than we could have ever anticipated had we remained Liberal, with a Liberal government in office. One has almost to assume that they are not aware of the changes that have taken place. They, like the remainder of their party, also seek the solitude of this fools' paradise in which they choose to live.

Alleged Lack of Economic Growth

It must be that the members of the opposition from the Atlantic provinces have adopted the premise of "Maritime Gordon", one of their supporters who is presently preaching for a call he will never receive. He had a quick solution. The Liberals have been talking about shock treatments and he was going to give the Atlantic provinces a shock treatment. He was going to give that treatment to the people living there. He was going to give them one way tickets, straight out. This is separatism in reverse. Of course we in the Atlantic provinces know that Liberal thinking, when that party was in office, stopped short at the borders of Quebec. They never went beyond. We can all remember that former great Liberal prime minister, the Right Hon. Mackenzie King, saying "not one 5-cent piece for the maritime provinces." That is one promise they kept.

An hon. Member: They sent them Pickersgill instead.

Mr. Coates: It is appalling for any member from the Atlantic provinces to ignore the Atlantic provinces adjustment grants and his constituents should give him the treatment he deserves. I look forward to most of them receiving it. We blanked them in two provinces in the last election and it will be a complete sweep the next time if they continue the way they are now.

Mr. Caron: Whom are you trying to make happy?

Mr. Coates: Let me tell you, my friend, you won't be very happy when the next election is over. These Liberal representatives from the Atlantic provinces seem to have been brainwashed by this talk about gloom and doom. They don't even know what has been done, and for that reason I would like to put a few of the facts on the record, if they do not know them they may be able to read of them and appreciate them.

Mr. Pickersgill: Like the digging of the Chignecto canal.

Mr. Coates: I have already mentioned the special adjustment grants—adjustment grants which will by March 31 of this year have poured $100 million into the Atlantic area. But we are not cut off at this point. We are not told: this is the end of it. No, Mr. Speaker, we are to get $175 millions more over the next five years. That is the type of treatment this government is giving to the Atlantic provinces.

As a representative from Nova Scotia I need go no further than my own constituency to see the tremendous growth in the economy that is apparent throughout the province.

Mr. Pickersgill: In Springhill, for example?

Alleged Lack of Economic Growth

Mr. Coates: All right. The hon. member mentioned Springhill and I am very happy he did so. Let us compare Springhill with the Pictou area which my hon. friend the present member for Pictou has done such an outstanding job of representing since he came to the House of Commons. I will tell you, my friends what you did for Pictou county. You closed coal mine after coal mine and the only solution you found was that offered by "Maritime Gordon"—move them out and give them one way tickets. That is your solution. Now let me say this: my hon. friend from Pictou county has worked, and his work is paying off. Almost every day we pick up a paper and see that something else is coming into Pictou county. Not long ago a new coastguard cutter went into the shipyards. Then, the other day there was a $2,300,000 car order. That is the type of representation the people of the maritime provinces have been looking for for years. If there had been a Liberal party in power in 1958 when this great disaster struck Springhill and took its only industry from it, leaving 7,000 people without an industry of any kind, there would have been a one way ticket for these 7,000 people. That would have been the Liberal solution to this problem. Instead, what has happened? The people of Springhill have four new industries. They have a minimum security penal institution. The Minister of Justice recently informed me that we were going to have a new medium security institution, the estimates for which were running as high as $2,500,000. This is an institution which would probably employ 125 people.

It does not stop there. This government, in co-operation with the government of Nova Scotia, has made available to the people of Springhill $450,000 in hospital grants so that they may build themselves a new million dollar hospital. Further, the Department of Public Works now has on its drawing boards a new federal building for the town of Springhill. In addition, Industrial Estates, a crown corporation set up by the Nova Scotia government under its great premier Bob Stanfield is prepared to investigate, and will investigate, every possible industry which can go into Springhill and into every other area of Nova Scotia. That is what was done for Springhill, since the hon. member asks, and let me tell him there will be more done as long as we have a Conservative government in Ottawa.

There are so many things that have been done for the Atlantic provinces that one does not really know where to begin or where to end. What I am trying to do is to put down a few of the things which I feel are of real significance and which should be considered by some of the members of the opposition. If they did, then they, like some members of other parties, might begin walking across the floor as well.

Mr. Pearson: We shall all be walking across shortly.

Mr. Coates: When they are so blind that they cannot see in front of them I guess we do not really want them; we can find better people ourselves.

Federal payments to Nova Scotia have more than doubled since 1957 from $31,336,000 to $67,928,000. Does this indicate the type of government the Liberals wish to provide? Our wages and salaries have notably increased. Our wage earners are receiving more than $1,500,000 a day every day, 365 days a year. In 1956 they received $440 million; the figure is now running at a rate of $593 million per year. For every $3 they received in 1956 they are now receiving $4. If hon. members want to look at it in another way, it took the wage earners 89 years to get up to $3 and only five years to get it up to $4. Is this the type of progress the opposition opposes?

Let us look at another field in which the opposition should have taken great strides in 1945—the field of vocational training. Hon. members opposite knew that we would be faced with this problem. It was all in the hidden report. But like so many other things that are distasteful, it was hidden away. Whenever there is something that does not fit in with their plans they put it on the shelf—they put it somewhere, where they cannot see it. In 1945 they should have been taking steps to see that the people of our country were trained so that when this technological advance came upon us our people would have been ready to step into the new jobs open for them. But they did nothing or next to nothing. In 1956 the Liberal government of that day paid its share of vocational training to the government of Nova Scotia. It amounted to $420,000. In 1961-62 that share will amount to $1,795,000 and next year, with vocational training schools under construction in every area of our province, it will be even greater Over the past six years the contribution of the federal government to vocational training has been $4,200,000. Of that amount the Liberal government provided ten per cent and we provided the other 90 per cent.

Let us turn to another promise, because the Liberal party is becoming a very promising party at the present time. Let us turn to hospital insurance. In 1919 the Liberal party promised the Canadian people that they were going to provide them with hospital insurance.

Mr. Pickersgill: That is not correct.

Mr. Coates: I do not suppose it is.

Mr. Pickersgill: The record was put straight the other day as the hon. gentleman knows.

Mr. Coates: The hon. member is always putting the record straight in order that it may please him.

Mr. Pickersgill: I read the resolution.

An hon. Member: Just forget the past.

Mr. Pickersgill: I put the facts on record.

Mr. Coates: The hon. member for Bonavista-Twillingate wants to go back to the past. He is one of the very few members of that party who will undertake to do so. I do not think his leader agrees with him there, but then there are times when the four horsemen do not agree.

Mr. Pearson: That is when we go to Quebec.

An hon. Member: Under which flag?

Mr. Pickersgill: That is what we would like to know. Which flag was it—Fleming or Diefenbaker?

Mr. Coates: The hon. member will not get out of it so easily. One would assume that after what the Leader of the Opposition went through in the town of Amherst when being questioned about what has been described by some of his friends in the press gallery as a cocky, immature young man, he would have stopped talking about the flag, because he showed that day that if he could not handle that cocky immature young man, where would the Canadian people be if they put their faith in him as their leader?

Mr. Pearson: With his faked report.

Mr. Coates: It only becomes vague when you start reading the facts.

Mr. Winkler: Whose face was red?

Mr. Coates: I return to the subject of hospital insurance. I do not blame the opposition for not wanting to talk about this because they talked about it from 1919 until 1957 and did nothing about it. They did not provide a red cent to the Canadian people. As usual it was left to the Conservative government to fulfil the old promises of the former administration.

Mr. Pickersgill: Hundreds of millions in hospital grants.

Mr. Coates: Now, now. The comments of hon. gentlemen opposite are somewhat like those of the Leader of the Opposition in the fog at Amherst. Hon. gentlemen opposite waver back and forth and straddle both sides of the fence. You never know where their feet are but you can always count on them being on both sides of the fence.

Mr. Hodgson: The late C. D. Howe said, "What's a million?"

Mr. Coates: It took a Conservative government to provide the people of Canada with hospital care. At this time this government is providing the people of Nova Scotia $1 million a month toward better hospital treatment.

We in Nova Scotia are very interested in education. We have a fine record in that regard. Let us look at university grants in which we are all interested. Hon. gentlemen opposite also choose to ignore university grants. In 1956 Nova Scotia universities received $695,000. In 1961-62 they are to receive $1,095,000 and this figure does not include the 50 cent per capita increase in the grant recently announced. Is this the type of aid hon. gentlemen opposite wish to overlook and about which we should forget? This is another example of what is being done for every Canadian from Nova Scotia to British Columbia by the present government.

Since my election in the House of Commons it has been my contention that the industrial development bank has not provided that degree of service to industries in the Atlantic provinces that should have been provided over the years. For a number of sessions I had on the order paper a bill which sought to amend the Industrial Development Bank Act to make its services more beneficial to industries in our area. As all hon. members are aware at the last session of parliament the Minister of Finance (Mr. Fleming) amended the act in a very material way which had the effect of greatly broadening the scope of the measure. The financial resources of the bank were increased from $157 million to $400 million. It has only been a short time since the amendments came into effect but the results to date are most gratifying and indicate a far greater service to industries in the Atlantic provinces than could have been possible without the amendments.

An example of the effect this is having at the present time on business in the province of Nova Scotia alone is indicated in the annual report of the bank which reveals that 49 loans were made available to business in Nova Scotia last year as compared with seven loans made in 1956, the last year during which Liberals were in office. Seven times as many loans were made available in 1961 as in 1956.

An indication of the increased scope of the services of the industrial development bank is to be seen in the 1961 report of the president where it is stated that there has been an 84 per cent increase in the number of loans

made available under the act during 1961. This increase is far greater than in any previous year. Indeed, 23 per cent of all the loans made since 1944 were made in 1961. Ten new branches have been established since 1959 and in 1961 St. John's, Newfoundland, saw a branch established to serve that province thereby providing greater service to the Atlantic area.

An indication of the increased advantage being taken by industries and businessmen in the province of Nova Scotia can be gleaned from the report. In 1956 there were seven loans approved for a total amount of $393,000. In 1961 there were 49 loans approved, seven times as many as in 1956, for a total of $2,130,000. The increase in the number of loans is reflected in the increase in dollar volume of the loans.

This has been the story right across Canada with 1956 having seen 349 loans approved as compared with 1,364 in 1961, and almost double the amount made available to businessmen of this country between the period 1956 and 1961. As I pointed out, these amendments were not in effect for the full period of the fiscal year 1961. I look forward with confidence to the 1962 report of this bank as even greater evidence of the assistance that is now available to business as a result of the amendments and increased financial resources.

My hon. friend asked me about Springhill. I think it is only fair to point out what has been done in the rest of Cumberland county as an example of what is happening in every constituency in Nova Scotia.

Hon. gentlemen opposite speak about the economy not moving forward fast enough. I do not know how fast they wanted it to move but I do know that they had better start moving a little faster with respect to looking at the facts if they want to be around to see how fast the economy will move in the next four years.

There has never been a time in my memory when things have been as progressive and employment as high in Amherst as at this time. Every major industry in the town is expanding operations. Only today I received a letter from one of the large industries there asking me to see if I could obtain harbour and wharf improvements in a specific area as they are about to enter the export market no doubt due to the splendid efforts of the present Minister of Trade and Commerce (Mr. Hees) in the attitude he has taken toward uplifting our export trade.

Some hon. Members: Hear, hear.

An hon. Member: The minister is applauding himself.

[Mr. Coates.]

Mr. Hees: I did not hear the hon. member's statement. I merely knew it was a wise comment and applauded on that basis.

Mr. Pickersgill: This is not the first time the minister has applauded himself.

Mr. Hees: I am much too embarrassed and overwhelmed with shyness to applaud.

Mr. Coates: Robb Engineering, the oldest major industry in Amherst, has been carrying out a constant expansion and remodelling of its facilities. At Pugwash a $2 million rock salt refinery operation will be added to the $3 million plant already in existence in that community. Last year a step forward was taken by this company in exporting its products to the United States for the first time.

One can go to Oxford and see the establishment there of a new factory by Industrial Estates Limited and their ability to secure federal contracts for the first time of a magnitude that was not ever possible previously. One can go to Parrsboro and see the ships loading pulp and lumber, in January, something which I do not believe the residents have seen for years and years. What is the reason for this activity? The reason is that the Department of Public Works has provided them with the most up to date facilities. One can go to the little village of Port Greville and see the shipbuilding industry throbbing, growing and wishing there was more room so that they could build more ships as a result of the forward looking program put forward by the Minister of Transport (Mr. Balcer) with his new subsidies.

This is the type of downcast, depressed economy that our friends opposite like to talk about. As I said before, Mr. Speaker, they are living in a fools' paradise out of which they had better come very fast. Otherwise, instead of worrying about who is going to be their next leader, they will all be sitting on the outside looking in at whomever the remainder of them, if there are any, try to choose for a leader.

Mr. W. H. McMillan (Welland): Mr. Speaker, I was greatly surprised to hear the Minister of Trade and Commerce today say that the former government gave business and industry no co-operation. He said they were receiving a great deal of co-operation now. By implication he meant that they received no co-operation from the late Right Hon. C. D. Howe. This is the most ridiculous statement I have heard since I have come to the House of Commons. I will say that Mr. C. D. Howe co-operated very well indeed as minister. He contributed a great deal to the development of this country. If my memory serves me rightly the Prime Minister paid

his respects to him and said so at the time of Mr. Howe's death. Hence the Minister of Trade and Commerce is at variance with his own leader.

Mr. Pickersgill: It is not the first time.

Mr. McMillan: As for myself, I think the minister has become so inflated with his own ego that he thinks he surpasses Mr. Howe in his value to Canada.

Mr. Hees: I was not comparing myself with Mr. Howe. I was comparing the department today with the department then.

Mr. Pickersgill: Just puffed up by your own hot air.

Mr. McMillan: I do not mind it one bit if the minister wishes to build himself up. However, I do not think he should do so at the expense of the good name of Mr. Howe.

Mr. Hees: Oh, no. We do not do that over here.

Mr. McMillan: The Minister of Trade and Commerce painted a very rosy picture. He gave some figures. He gave percentage figures. I heard one Conservative member making reference to those on this side of the chamber and saying that we always referred to percentages and not to actual figures. As a matter of fact, I could give him some actual figures in connection with trade and commerce. I could give him the outright figure of the increase in business failures in Canada and the increase of the deficit of the C.N.R. under this government. They are not percentage figures. After listening to the minister I wondered why there was not a labour shortage in Canada at the present time—

An hon. Member: The same old blue ruin.

Mr. McMillan: —why at this time anyone was unemployed and why the unemployment insurance fund is still going down. The minister referred to the wonderful team work in his party. I will refer to some of that wonderful team work and where it has landed Canada at this time.

I think nobody will deny that there has been a slowdown in our economy from 1957 onward. The average annual increase in the gross national product from 1950 to 1956 was 6 per cent and since that time it has gone ahead only at the rate of 1½ per cent.

Mr. Pugh: That is not correct.

Mr. Pearson: Then the bureau of statistics is wrong.

Mr. McMillan: It is correct. In 1956, compared with 1950, the volume of national production on a per capita basis increased by 22 per cent between those two years and from 1956 to 1961, it has gone down by 4 per cent.

Mr. Pugh: That is not correct.

Mr. Pickersgill: These are dominion bureau of statistics figures published by the Minister of Trade and Commerce.

Mr. Hees: How ridiculous can you get?

Mr. Speaker: Order. The hon. member who started this last series of interruptions will very shortly have an opportunity to give his own version of the facts. In the meantime, I think it is only fair that the hon. member who has the floor should have it to himself.

Mr. McMillan: The total capital expenditures in Canada in constant dollars increased by 62 per cent from 1950 to 1957, and there has been a decrease in 1961 from 1957. What is more important still is the fact that business capital expenditures are down by about 25 per cent. It is true that we have an increase in building, housing and some other sectors of our economy.

Mr. Hees: Of course, that does not count.

Mr. McMillan: However, in the business sector, the figure is down by 25 per cent. Prior to 1956, unemployment was slightly under 3 per cent. Since 1957 it has practically always exceeded 6 per cent. We know that in February, 1961, we had the highest unemployment since the war when it reached the figure of 719,000. Unemployment is not down so much now when you take into consideration the increased number of people who are on direct relief. In some of the papers I saw it referred to as a 14 per cent increase and in some others as 17 per cent. Then you must take into consideration the number of unemployed in the vocational training program and in the civil defence forces.

Mr. Pearson: And the number going to the United States.

An hon. Member: Name the paper.

Mr. McMillan: I think our trade is an important matter because trade accounts for about 25 per cent of our labour force. I am glad to note that we have had an increase in trade during this last year. However, 50 per cent of that trade in the first nine months of the year was due to an increase in shipments to communist countries. This is a trade diversion on which we cannot always count. I am also glad to note that we are shipping some commodities to Cuba. I have here *U.S. News and World Report* for February 26, 1962. In it there is an article which

is headed, "How Canada Helps Keep Castro Going" and which reads in part as follows:

> At a time when the U.S. is appealing for support in a campaign to isolate Castro, Canada's exports to Red Cuba have reached record levels.
>
> Food, machinery, aircraft engines and other goods from Canada—even explosives—are being used by Cuba's communist masters to stave off any internal crisis that might spark an uprising.

Chemicals, chemical specialities and explosives reached an export value of $600,000 while aircraft engines and parts totalled $169,000. Then the article goes on to say:

> Criticism by U.S. officials of Canada's trade with Cuba has drawn sharp replies from Canadian spokesmen. Foreign secretary Howard Green called such criticism "improper". Nevertheless, there are signs that Canadian public opinion may force a change.

As one member of the House of Commons I would appeal to the government to stop shipping explosives and aircraft engines and parts to Cuba.

Mr. Speaker: Order. I am a little puzzled to determine how the present argument of the hon. member relates to the amendment and subamendment before the house.

Mr. McMillan: Mr. Speaker, the new trade blocs present us with a challenge and I think we should investigate those blocs. I certainly do not think that at Accra the ministers investigated the European common market properly. For instance, the Minister of Finance said something to the effect that Britain would be on a slippery slope if she joined the common market. I have not got the exact words of the Minister of Trade and Commerce but they were to the effect that Britain would have to choose between the commonwealth and the European common market.

A Senate committee has stated that in the next five years or in the early 60's Canada will need to provide about one million jobs, and I do not think we can do that if our economy is standing still. If our economy had progressed at the same rate as it did in previous years under the former administration there would have been an increase in the gross national product of $14 billion in the last four and a half years. In goods and services this amounts to about $3,000 for the head of every family in Canada.

I have heard some reference to elections past and future, and the Conservative party won the last election largely on a vision. I was glad to hear one hon. member say tonight that his party would go to the country on its record. I do not propose to put on *Hansard* the platform of our party. The hon. member for Brome-Missisquoi (Mr. Grafftey) suggested tonight that we should have a reasonable and sensible alternative. I would say to him that it is important to our economy above everything else that we should have a good stable and solid government, that we should have a sound fiscal, monetary and foreign exchange policy that will restore confidence among our people and among people of other nations.

The policy we have now discourages investment in our country. It discourages the building of new plants where people might be employed. I think this is very important to our economy. The policy that we have now produces a flight from the Canadian dollar. I predicted in the House of Commons last August and also in the previous year that unless there was some change in our fiscal and monetary policy we would have a flight from the Canadian dollar. I do not think that anybody will disagree with the fact that there is a considerable flight from the Canadian dollar at the present time. We only have to refer to *Barron's Weekly,* a financial magazine, which had this to say in this week's issue:

> For more than four years then, Canada's Conservatives, adopting one misguided economic and fiscal policy after another, have been playing with fire.

Further on it says:

> Canada's financial crisis worsens under this kind of irresponsibility.

I know there have been some articles in the press disagreeing with what *Barron's* has said but I can quote worse comments. Their comment is mild compared with those which appeared in the *Monetary Times* of London, in the New York *Times* some time last year and also in the London *Spectator.* Certainly in some of our own newspapers we have seen far worse comments than that which appeared recently in *Barron's Weekly.*

How can there be confidence, Mr. Speaker; how can there be new investment in the face of the present type of monetary and fiscal policy? Without new investment how can we expect to have any substantial upswing in our economy and in our gross national product? Without new investment how can we expect any great increase in employment?

In my opinion monetary policy is vital to our economy and to the welfare of Canadians generally. I know that at the time the minister announced a planned devaluation of the dollar I said that after this had been accomplished it would not be hard to maintain because of the way he set out to bring it about. In the budget debate I said at that time that it would create a lack of confidence and that this would be a strong psychological factor in depressing our dollar. What happened? We spent millions of dollars to depress the dollar and now we are spending millions of dollars to support it.

I will enumerate eight events, any one of which might have a considerable effect on our economy because of their effect through investment channels.

Number 1. In last May and June we had the Coyne affair which resulted in a bad press both at home and abroad. I think this was a psychological depressant on our economy and on our dollar, the results of which did not develop immediately.

Number 2. Then in June we had the long delayed budget and at that time the Minister of Finance made a complete flip-flop. He turned around and tried to depress the value of our dollar. If we turn to page 2673 of *Hansard* for March 31, 1960, we see that the minister said:

> An attempt by the government artificially to lower the external price of the Canadian dollar would involve borrowing or raising by taxes very large sums of money with which to buy up foreign exchange.

Then, a little farther along he said:

> In other words, we would be embarking upon a gigantic financial speculation with no assurance of success.

What success have we had? I know that already we are putting up $7 million a day to support that dollar.

Mr. Browne (St. John's West): How do you know that?

Mr. McMillan: I can read, and that is contained in the report of the Bank of Canada.

Number 3. In December, we had the reported firing of the Minister of Finance. I do not care whether or not there is any substance in the story; that is not the point. The point is that the Prime Minister allowed these stories to continue for two or three weeks without denying them. I think, myself, that created a lot of misgiving in the country. It is very significant that immediately after that we had to support our dollar, while immediately before that we were trying to suppress our dollar. We have spent $200 million since that time, according to the last report, supporting the Canadian dollar and trying to keep it from going lower. I think that is very significant.

Up to that time, it had been reported in the house we were spending money to keep the dollar down, and after that we were spending money to support the dollar. This split in the cabinet, I think, was very disturbing to the country. I am not trying to say that the Minister of Finance was to be fired; that is not the point. The point is that the story got out to the people of Canada, to the people abroad. It may have seemed funny on the surface, but it was not funny to the taxpayer because, according to the last report, he has been paying up to $200 million to support that dollar.

In so far as the exchange rate is concerned, I may say that I saw a very funny cartoon. It showed the Minister of Finance holding a bear by the tail. He was in a very precarious position. I suggest the artist might more properly have shown the minister throwing the taxpayers to the wolves.

Number 4. In November I was in Ottawa and I saw a story in the Ottawa *Journal* to the effect that experts from the international monetary fund were coming to Ottawa to try to assess our troubles in connection with the exchange fund.

Number 5. Last year, particularly since last June, we have been debasing our currency at the rate of between $5 million and $6 million a day, that is up until early January. I do not know what has happened since then. We only have to go back a short time to ascertain what the Minister of Finance had to say about inflation. This is inflation because, in one year, we have increased the money supply by $1.2 billion, whereas to finance a boom year in years gone by, it has cost us between $400 million and $500 million.

The Minister of Finance had this to say on March 31 last, as reported on page 2673 of *Hansard*:

> Let us give no quarter to such a defeatist attitude. Inflation acts like a drug on the economic system—even small doses breed a craving for more.

Then, farther along he said:

> One of the most serious effects of inflation is that, like other drugs, it erodes stamina and willpower.

Are we to take it from this that the stamina and willpower of the government have been eroded?

An hon. Member: Where is the inflation?

Mr. McMillan: Would the hon. member not say that the printing of between $5 million and $6 million a day is not inflation?

Mr. Nesbitt: It depends on the amount of goods being produced.

Mr. McMillan: Then: Number 6. About a week or two ago practically all the members of the press, radio and television were saying that Canada would be on the carpet because of her actions with the exchange fund.

Number 7. The press also carried stories to the effect that Canada requested the meeting be in secret.

Number 8. At the Accra conference in September the comments that were made by our minister tended to create some doubt as to the future of the British commonwealth. We all had knowledge of the Coyne affair and of the

planned devaluation of the dollar. We also have knowledge of the inflation that is taking place. However, I cannot believe that the other items originated in the minds of the members of the press and in their minds alone as the government would like us to believe.

What does this all add up to? If you take any one of these eight items, along with our high rate of unemployment, the slow pick-up in our economy and our huge budgetary deficit, you have enough to affect the price of our dollar and to scare investors away from our country. You also have enough to scare the Canadian people from investing in different projects within this country. When you consider all these points together, it is no wonder that financial men in New York and Chicago are saying that our dollar will sell at 90 cents. The actions of the government have certainly brought about a lack of confidence at home and abroad. Confidence is one thing you cannot buy with dollars alone. This is something the Minister of Finance must get out of his head. I think you have to have stability. In years gone by our financial system was the envy of the world. Our foreign dealings were above reproach. If you read some of the press reports today, you find that is not the case. I say that the market for dollars is the same as the market for anything else. It will react more to uncertainties than it will to realities. I think our government is providing the uncertainties.

Now, the fiscal and monetary policies should be closely related in order to have a good economy in Canada. I will not go into the details of the conversion loan, but I will mention it in passing because the series of events set in motion by that conversion loan have carried us to the point where we have had to adopt our present fiscal and monetary policies a part of which has been the present policy of supporting our exchange rate. I will say also in passing that the conversion loan is the basic reason, after all, for the governor of the Bank of Canada appearing in Washington last week to defend the actions of this country in connection with the exchange rate. I can say that we gave the people a good economy, good employment, reasonable interest rates and hope for the future and I suggest that the people know the party opposite for their promises. They promised almost anything from an increase in the price of asparagus to a covered city in the north, built on stilts. I suggest that the people will know them for their works, our poor economy, high unemployment and poor hope for the future.

The Minister of Trade and Commerce has been part of that team. He likes to refer to himself as part of the team, but I suggest that team has produced some great records which have had something to do with the poor state of our economy. For instance, dealing first with the conversion loan I would suggest that probably the whole team got in on that decision. We were told that the conversion loan was the greatest financial transaction in Canadian history. Probably there is no doubt but that it was the greatest. Another record set by this government was the 719,000 unemployed last February. Another record was our bonds being sold at the lowest price in the western world, less than Cuba's bonds in the early days of the Castro revolution.

The other night I placed on the record the great increase in failures in small businesses and small industries. We have an economy which is standing still, but if there is any slight pick up in the economy from one month to another then a Conservative member seizes upon it with glee and tells us about it in the house.

Mr. Browne (St. John's West): And you don't like it.

Mr. McMillan: Then we have the high interest rates. When this government took over the average interest on all debt was 2.98 per cent, but now the Minister of Finance never tells us where it stands.

Mr. Monteith (Perth): He told you today.

Mr. McMillan: Not the average interest.

Mr. Monteith (Perth): Yes, he did.

Mr. McMillan: He told us the average interest on some part of the debt.

Mr. Monteith (Perth): He told you the average interest on all parts of the debt.

Mr. McMillan: This is the sort of thing that happens because of the monotonous overdraft of $2 million a day and as a result of the depletion of the unemployment insurance fund. That has to be added to it. It is little wonder then that foreign papers like the London *Monetary Times* and New York papers refer to Canada as having an economy that is in a mess.

I heard one speaker say tonight that Canada's prestige was high in all parts of the world. Well, I have been in Europe and I got the impression that our prestige was never lower.

Mr. Bell (Carleton): Ridiculous.

Mr. O'Hurley: Where did you go?

Mr. McMillan: I will tell hon. gentlemen opposite that the information I got was unsolicited. When I presented a Canadian $5 bill they would not take it at the airport in

Lisbon whereas they said they took money from practically every other country in the world. They took Italian lira, they took money from some of the African colonies, from Brazil, from France, but they would not take Canadian money.

This government has offended Britain. It has offended the United States, Uruguay and British Guiana. We heard that in this house, and I do not think there is any doubt about it. It does not matter how often hon. members opposite get up and say we are on the wrong track. They say we have nothing to offer. The one thing we always offered, and still do, is stable and sound government, and that is something Canada has not got today. That is something we could always offer.

Mr. D. V. Pugh (Okanagan Boundary): This constant reiteration of doleful facts, of doom and gloom from the Liberal party, gives me a pain in the neck. I do not want to embark on that subject right now as I would like to start tomorrow, if I may call it ten o'clock.

Mr. Pickersgill: I don't think so.

Mr. Pugh: I shall deal first with the amendment proposed by the hon. member for Niagara Falls. We heard from her tonight that the gross national product has gone up 1.5 per cent; from the last speaker, the hon. member for Welland, we heard it has gone down 4 per cent. It is probably written on the record that the Leader of the Opposition turned around and said "That is correct, look it up in the dominion bureau of statistics." The hon. member for Bonavista-Twillingate turned around and nodded his head saying "Yeah, man, that is right." All I have to say to all hon. members is that all they have to do is look up the record because the dominion bureau of statistics shows otherwise.

May I call it ten o'clock?

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, this debate will continue tomorrow.

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

HOUSE OF COMMONS

Tuesday, February 27, 1962

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

DIPLOMATIC RELATIONS WITH INDEPENDENT AFRICAN STATES

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the house is aware that the government has decided to extend its diplomatic relations with the independent states of Africa by opening two new resident diplomatic missions. On January 29 I informed hon. members of the appointment of the first Canadian high commissioner to Tanganyika, and today I am pleased to announce the appointment of Mr. Fulgence Charpentier as first Canadian ambassador to the republics of Cameroon Chad, Gabon and Congo (Brazzaville). He will be resident in the capital of Cameroon, Yaounde, with concurrent accreditation to the other three republics.

I am also pleased to announce that diplomatic relations have been established with the republics of Togo and Senegal. The Canadian high commissioner in Accra, Ghana, has been accredited as Canadian ambassador to the government of Togo; the Canadian high commissioner in Lagos, Nigeria, who is already accredited to Sierra Leone, has been accredited to the government of Senegal. This brings the number of African states with which Canada has formal relations to a total of 15. It is hoped that through arrangements for non-resident accreditation of our two Canadian heads of mission in Ghana and Nigeria, diplomatic relations will be established in the near future with additional French speaking states in west Africa.

The decision to establish diplomatic relations with these French speaking African states has been taken because of the increasing importance of Africa in world affairs and the growing influence of these states both within Africa and at the United Nations. The French African delegations have played a notably constructive part in the deliberations of the general assembly, and the Canadian delegation has worked closely with them on many issues. Sharing a common French cultural heritage, Canada and the French speaking states of Africa have a mutual interest in establishing diplomatic relations. The opening of diplomatic relations with these countries will afford an excellent opportunity for strengthening these natural ties.

I think, Mr. Speaker, that this is a field in which Canada can render great service. In 1961 the government established an annual program for educational assistance to the French speaking countries of Africa, which the new mission will help to administer. Mr. Charpentier's appointment will give us a better insight into the problems and requirements of these countries, particularly in areas where Canadian experience will be useful.

Mr. Charpentier, a native of Ste. Anne de Prescott, Ontario, is well known on parliament hill and in the city of Ottawa. He was chief of French *Journals* in the House of Commons for some years and during the war was director of censorship, receiving the M.B.E. for his services. He was a controller of the city of Ottawa during the years 1932 to 1935. Since joining the Department of External Affairs in 1947 he has served abroad in a number of posts and is at present head of the passport office. Mr. Charpentier, who will take up his appointment shortly, will find that both French and English are used in Cameroon and therefore his proficiency in both these languages will be put to good use.

(Translation):

[*Later:*]

On the orders of the day:

Mr. Augustin Brassard (Lapointe): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs.

In view of the announcements he made as the house met, this afternoon, and in view of the fact that there are a great number of Ethiopians who speak French fluently and also that a number of Canadians are serving the cause of education in Ethiopia, is the government considering the possibility of accrediting a Canadian representative to the government of that country in the near future?

(Text):

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, we have under consideration accreditation with respect to several other African countries, but I am unable to make any announcement at this time.

Inquiries of the Ministry

NATIONAL DEFENCE

USE OF NUCLEAR WARHEADS IN EVENT OF WAR—U.S. COMMENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister whether he has any comment to make on the reported opinion expressed yesterday by a United States military source in Washington to the effect that nuclear warheads shipped from the United States to Canada after war broke out would not be of use?

Right Hon. J. G. Diefenbaker (Prime Minister): I do not intend to make any observations on a matter as important as this on the basis of some report appearing in the press by some anonymous individual.

Hon. Paul Hellyer (Trinity): May I ask a supplementary question, Mr. Speaker. Would the Prime Minister inform us if we can take it from his statement that atomic warheads would be available to Canadian troops in the event of war, that there is a secret agreement between the government of Canada and the government of the United States in respect of the provision of atomic warheads at that time?

Mr. Diefenbaker: For the edification of the hon. gentleman, Mr. Speaker, I would recommend your wise words of yesterday. "There has been a substantial exchange on this important matter. If it cannot be clarified in five supplementary questions, I think it might better be deferred to be the subject of a debate".

Mr. Hellyer: Would the Prime Minister not answer the question, which is a simple one? Is there an agreement or is there not an agreement?

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member knows he is not permitted to insist on an answer.

Mr. Hellyer: There must be an agreement if we are going to have them ultimately.

COMMONWEALTH RELATIONS

NORTHERN RHODESIA—PREPARATION AND ADOPTION OF CONSTITUTION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Secretary of State for External Affairs. In view of a Canadian Press report that the British cabinet today reached a final decision on the constitution for Northern Rhodesia which would apparently allow for the possibility of a negro majority, and in view of the influence enjoyed by Canada in commonwealth relations, would the minister assure the house that Canada will use its good offices with the government of the Rhodesian federation to urge that government to accept this evolution toward democracy?

Mr. Speaker: I do not know whether the minister wants to undertake to answer a question of that kind. I do not wish to be unduly restrictive, but it seems clear to me that the hon. member's question is an invitation to the Secretary of State for External Affairs to interfere in matters which are not under his jurisdiction.

Mr. Herridge: It was not intended in that way, and I leave it to the good judgment of the Secretary of State for External Affairs as to how the matter will be handled.

(Translation):

[*Later:*]

STATEMENT OF THE QUEBEC PREMIER

On the orders of the day:

Mr. V. F. Dubois (Richmond-Wolfe): Mr. Speaker, I should like to direct a question to the Minister of Justice. Does the minister have any comments to make about the statement attributed to the premier of the province of Quebec which appeared in this morning's issue of the *Gazette* concerning a provincial lottery organized by the government?

Hon. E. D. Fulton (Minister of Justice): I have discussed this matter with members of the Quebec provincial government and there has even been an exchange of correspondence between us. Everything was purely informal, on a personal basis and only of a general nature. In fact, I have received two letters, one from Mr. Lesage and the other from Mr. Gerin-Lajoie. Both were marked "personal".

That is why I am most surprised to hear that Mr. Lesage could say—as reported—that he had made official representations which called for a reply on behalf of the government.

During our personal talks I was asked whether or not it would be possible to amend the Criminal Code so as to permit the organization of lotteries by the provincial government. I had pointed out that there were a number of problems involved, that the questions of lotteries and other related matters were presently under consideration and that I would inform them in due time of any change in our position.

Practically speaking, the question of amending the Criminal Code to authorize the organization of lotteries by provincial governments

is obviously one which concerns all the provinces. It would therefore be difficult, if not improper, to get in touch with one province only, without consulting the others. We have not consulted them and I am therefore not in a position to make an official statement.

Indeed, the manner in which Mr. Lesage made public the contents of personal correspondence amply shows the danger and difficulties encountered in answering such letters, even on a personal basis.

(Text):

TRADE

LONG TERM CREDITS FOR EXPORTS OF CATTLE

On the orders of the day:

Mr. Harold Hicks (Fraser Valley): I have a question for the Minister of Trade and Commerce. Has any action been taken on the resolution, a copy of which was forwarded to him from the Holstein-Friesian Association of Canada, as to the need for granting long term credits to countries which are financially sound and have proven their interest in the importation of Canadian cattle?

Hon. George H. Hees (Minister of Trade and Commerce): I wish to thank the hon. member for giving notice of his intention to ask this question. I have been informed that the officials of the Export Credits Insurance Corporation have been carrying out a continuous study of terms of payment offered by competitors in other countries for the sale of cattle, and that such terms are currently cash, or very short term. They have informed me that the Export-Import Bank of Washington did provide two credits to Mexico some years ago, but these credits were of special nature due to an outbreak of foot-and-mouth disease in Mexico which decimated their stocks, and they were urgently in need of fresh stocks at that time.

In the event that a situation were to arise similar to the unfortunate event experienced in Mexico, the Export Credits Insurance Corporation would be prepared to consider approving credit terms extending beyond those presently being granted. In the meantime it is the corporation's view that cattle should continue to be sold on terms normal in international trade, which are cash or very short term.

LIVESTOCK

REQUEST FOR INCREASED FUNDS FOR RECORD OF PERFORMANCE WORK

On the orders of the day:

Mr. Harold Hicks (Fraser Valley): I also have a question for the parliamentary secretary to the Minister of Agriculture. In view of the fact that the record of performance testing of dairy cattle has apparently outgrown the ability of the present staff to handle the work, has consideration been given to complying with the resolution from the Holstein-Friesian Association of Canada that the necessary funds be provided to ensure that this valuable work be carried on at the level required for the continued improvement of our dairy cattle?

Mr. John Charlton (Parliamentary Secretary to the Minister of Agriculture): The resolution to which the hon. member for Fraser Valley referred has been received from the secretary of the Holstein-Friesian association. In brief it requests the government to provide the resources necessary to ensure the carrying on of record of performance testing services at the level required for the continued improvement of dairy cattle. This the government has done.

Ontario is the only province in which any difficulty exists in taking qualified breeders under R.O.P. inspection as soon as they apply. There has been a heavy increase in the demands for this service in Ontario. Since 1957 the number of herds under inspection in Ontario has increased by 335, and the number of inspectors by 13.

If the facilities are not available to take new applicants under inspection when they apply, they are placed on a waiting list until they can be accommodated through the provision of more staff or the normal dropping out of others under the policy. It has been considered preferable to follow this practice rather than reduce the service to breeders under test. This has created no substantial delays. There have been no applications prior to January 1, 1962 which have not been taken care of, and there have been only 13 firm applications since that date which are now on the waiting list.

AGRICULTURE

EXPERIMENTAL FARM, OTTAWA—THEFT OF BUTTERFLIES

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I can also put a question to the parliamentary secretary to the Minister of Agriculture, about the recent theft of a valuable collection of butterflies. Could the parliamentary secretary say whether his attention has been drawn to the statement in the Winnipeg *Tribune* that no one has checked the collection since 1958, and could he say whether this is another example of the neglect of the present government?

Mr. Pigeon: Butterflies are your friends.

Mr. John Charlton (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, I have no comment to make on a newspaper article. I would point out to the hon. member for Bonavista-Twillingate that this matter is under consideration now by the R.C.M.P. and is being looked after very well.

Mr. R. J. McCleave (Halifax): A supplementary question, Mr. Speaker. In the search for the butterflies, have they checked Liberal stomachs?

VETERANS AFFAIRS

PROTESTS RESPECTING REDUCTIONS IN ALLOWANCES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Veterans Affairs, as one old soldier to another, at the request of several other old soldiers in receipt of war veterans allowance. In view of the fact that the Department of Veterans Affairs is sending a notice to all recipients of war veterans allowance and widows allowance reading as follows: "The reduction in your war veterans allowance is the result of an equivalent increase in your old age security pension," would the minister inform the house whether he has received any protests concerning this policy? If so, is consideration being given to a review being made that would ensure that our older veterans and their widows, to whom we owe so much, are able to share this improvement in the pensions given to Canadians over 70 years of age?

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, the subject matter of this question is very important to a great many people. We have had some complaints due to a misunderstanding.

When war veterans allowances were first introduced nearly 30 years ago they were intended to be of assistance to those older returned soldiers who were unable to provide for themselves the necessities of life. It was felt that a number of former members of the forces, because of the arduous and dangerous nature of their service, had become pre-aged. The legislation was thus designed to provide financial assistance to service qualified veterans, in cases of need, at an age earlier than old age pensions become available to the population generally.

War veterans allowances were never intended to be paid independently of other sources of income, even where such income arose from war disability pensions or from pensions payable under social legislation. The purpose of the allowance is to assist those deserving and qualified veterans and their dependants who are suffering from financial stringency, and in determining qualification for an allowance all other forms of income must be taken into consideration.

The result is that when those people who are of an age to receive the old age security pension get an increase in that pension, that is part of their total permissible income and is so recorded for war veterans allowances purposes. The war veterans allowance is not then as great as it was in the earlier month.

May I point out that it was only last year, just nine months ago, that the following changes were made in war veterans allowance. Previously the monthly rate for a single veteran had been $70; nine months ago it was raised to $84. The monthly rate for a married veteran was $120 nine months ago, and it was raised to $144. The ceiling for total income was increased, for a single veteran from $1,080 to $1,296 and for a married veteran from $1,740 to $2,088. In other words, a 20 per cent increase in the war veterans allowance was made effective June 1, 1961.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, a supplementary question. I understand the logic of the minister's reply to my friend the hon. member for Kootenay West, but is it not true that the statement just made implies the institution of a means test with respect to old age pensions to war veterans?

Mr. Churchill: The War Veterans Allowance Act has contained the so-called means test right from the beginning. There is nothing new in this at all. May I point out, Mr. Speaker, that there is the utmost sympathy on the part of this government for veterans and their dependants. The increase of last year which I mentioned was the third increase since we came into power with regard to war veterans allowance, and similarly the disability pensions were increased.

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask a supplementary question. Does the minister not realize that the statement he has now made amounts to a formal announcement that the government does not intend to carry out another election promise?

Mr. Churchill: Mr. Speaker, every election promise that has been made has been carried out or will be carried out in the near future.

Mr. Pickersgill: "No one will suffer".

HOUSE OF COMMONS

WHEREABOUTS OF PORTRAIT OF LATE R. B. BENNETT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Prime Minister and regret that I was unable

to send him notice. I rise as one who has a great respect for tradition, protocol and things being done in the proper way.

I have in my hand a cutting from the Calgary *Herald* which is headed "Bennett Painting Missing; One Here" which tells the story of a pressman visiting Calgary lawyer E. J. McCormick, Q.C., an active Liberal. He asked him if the portrait he has of the late R. B. Bennett was the missing one from Ottawa. Mr. McCormick told the reporter in effect that he must ask the Prime Minister, and refused to answer.

I have two grounds for my question. First of all, the Liberals are already taking members of this group into their fold. Surely they are not going to take Conservatives into their fold. Will the Prime Minister tell us whether this is the missing portrait, and whether it has been turned over to the Liberals?

Mr. Martin (Essex East): Everyone is flocking to the Liberal party.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I can only say the Conservative party does not allow its great leaders, even its historical ones, to be adopted by the Liberal party despite the fact that a certain historian, the hon. member for Bonavista-Twillingate, is rewriting history for the benefit of his party.

There is a question on the order paper in connection with this matter. However, if I may be allowed to answer the question at this time I shall be pleased to do so, although the question on the order paper will be answered in due course.

Mr. Speaker: As the Prime Minister has reminded me of a fact I had overlooked, I think the preferable course would be to give priority to the question which appeared first on the order paper. That is the practice I have tried to follow. Perhaps the Prime Minister would reserve his answer for the written question.

Mr. Diefenbaker: There is one part of the question that is not on the order paper, Mr. Speaker, and to which I may be permitted to reply. The portrait in question presented to the people of Canada by Lord Beaverbrook hangs in the prime minister's office here, and is not in Calgary.

Mr. Herridge: The mystery is solved.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, would the Minister of Finance at this time give some guidance as to when he will be bringing in his 1962 budget?

Hon. Donald M. Fleming (Minister of Finance): I think I may say, Mr. Speaker, it will not be this month.

SUPPLY

The house resumed, from Monday, February 26, consideration of the motion of Mr. Fleming (Eglinton) for committee of supply, and the amendment thereto of Miss LaMarsh, and the amendment to the amendment of Mr. Herridge.

ALLEGED LACK OF ECONOMIC GROWTH

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, when the house adjourned last evening I was discussing certain phases of the gross national product. I feel it is important to put on record figures indicating the gross national product in certain years between 1952 and 1960. In 1952 the gross national product was approximately $24 billion. By 1956 it had increased to $30.5 billion, an increase of $6.5 billion. By 1960 it had risen to $36 billion, and indications are that at the end of the present fiscal year it will stand at $37.5 billion. I point out that this figure reflects and bears a relationship to the loss of the wheat crop last year.

Mention has been made in this debate of the measures the government has taken to meet current problems. I cannot resist commenting on the quick action taken by the government last year with respect to the crop failure, the measures undertaken to provide financial assistance, to arrange for forage for cattle and to hold firm the market.

It is interesting that there has been a phenomenal growth in the gross national product despite the gloomy assertions placed on the record by hon. members of the Liberal party. I think it does no harm to review the facts. In 1957 when the Conservative government took office there were reasonable grounds for the gloom of hon. members of the opposition; not because we had taken over, but because they knew that in 1957 nothing could arrest the recession which had gradually been developing since 1955.

Mr. Hellyer: Who is rewriting history now?

Mr. Pugh: The hon. member for Trinity asks who is rewriting history now. In reply I will fling in his teeth the frequently reiterated question: who caused the depression of 1930? The Liberals never heard of the depression of 1929 which was under way before the Conservative party came into power. They said we caused the depression in 1930. The Liberals formed the government up to that date and they were responsible for that recession. They were

equally responsible for the recession of 1957 and the aftermath. They had their report.

Mr. Pearson: You spent two years denying there was one.

Mr. Pugh: It would do no harm to review the situation when we came in. There was tight money in 1957. Anyone who is familiar with conditions in his constituency at that time will know that tight money was in effect. Credit was tight and not available to the average businessman. Take another example, national housing. It was practically a nullity. There is no question about it. It was a case of try to get funds for national housing. They had it in the kitty; they had $50 million left over, but you could not get a loan. You could not get the thing processed. If you talked to any lawyers in your constituency at that time who handled these matters, they would tell you exactly the same thing, namely, "Sorry; we put in for a loan but we could not get them processed." They had $100 million, but if you examine the records now—and I will raise the matter later—there are $3 billion available for this national housing program. It is a matter of $100 million as against $3 billion.

Just to go back over this review, we had tight money, credit at a standstill, national housing at a standstill and our trade balance with other countries in a rather impossible situation—the Minister of Finance just put it on the record today—with $713 million of an imbalance, an alarming state. That is what the businessman was faced with when we came into office. Regardless of what has been said, there is no question but that when we came into office in 1957 we were obliged to take certain steps. It was necessary to do so for the economy of Canada. We took those steps. This government stepped right in.

As far as the over-all picture is concerned, we have long had a national policy which we are not backward in bringing forward. It is a policy which we talked about all along, and when the time came we put it into effect. Legislation was immediately forthcoming with regard to agriculture. I think it is fair to put on the record now what was done for agriculture in the last four years. Mind you, Mr. Speaker, they were rather tough years according to the Liberals. They are the people who have said those years have been bad. But despite all that, this government in the last four years has put in for agriculture twice as much as the previous government did in the previous four years.

The facts are irrefutable. I have mentioned national housing, which has been built up now so that housing is going ahead all over the continent. The figure of $100 million has become $3 billion. In 1956-57 social justice payments stood at $1.3 billion. They have now become $2.3 billion, or in other words another $1 billion put out in social justice payments. Then as to dominion-provincial relations, they were improved immediately and the federal contributions all round have increased by 70 per cent over those made by the former administration. Those are dollars which have been put out to the provincial governments. There has been a 70 per cent increase. As to veterans legislation, we just had a brief rundown on that matter. Direct payments in the last year were up more than 50 per cent over those in the last year of the Liberal regime. In other words the figure which was $200 million has now become $305 million in direct payments to the veterans.

This is but a partial list. I do not wish to start throwing things down people's throats. However, I would recommend to members of the Liberal party or to any opposition member the admirable speech made in this house by the Minister of Public Works. It may be found at page 1155 of *Hansard* if hon. members care to look it up. That speech is predicated on achievements and promises fulfilled.

I like to look at my own riding in connection with this matter because we have heard criticism of deficit financing. Yet at the same time many things have been done. As to federal buildings, we have a federal building in the city of Penticton. It is a rather wonderful building. In my own home town of Oliver we have a federal building. Kelowna will have a new federal building. We have had post offices in Rutland and Keremeos. The R.C.M.P. barracks also. It is all part of a planned expansion program. There has been participation in health units and senior citizens dwellings. Incidentally, we have enlarged all the legislation with regard to those things.

In my own constituency breakwaters have been built on Okanagan lake, three brand new ones at Summerland, Peachland and Naramata, and there have been extensions and improvements to those in Penticton and Kelowna. In addition, one large airport has been put in and taken over by the Department of Transport at Kelowna. There is paving and reasonable lighting at the present time, and we hope to get more. At the city of Penticton there is an extension and more paving and an administration building. I name these things in order to indicate a few of the things we have done which were not on the shelf under the Liberal party, which were not there and available for this deficit financing. However, we went ahead in our

planning and we have benefited the constituency. The hon. member for Cumberland (Mr. Coates) spoke, as did the hon. member for Bonavista-Twillingate (Mr. Pickersgill) or rather the hon. member for Brome-Missisquoi (Mr. Grafftey).

An hon. Member: That is very different.

Mr. Pugh: Yes, and a very different person also as a representative. If you read the speeches or if you listened to them as I did, I could not help feeling that the constituents were very well looked after. This is a part of a planned program of getting down to the people. I do not like to mention it here, but once again I go to my own constituency where we had cold storage subsidies in the last year alone of $345,000. That is a great deal of money. It is a great deal of aid to the growers of my constituency. It is a great deal of help to contractors all down the line. I have, of course, a little note here which says "And we have not finished yet". We have not finished by a long shot.

That had reference to the Minister of Public Works. The Minister of Trade and Commerce spoke yesterday. I would recommend that the opposition read his speech and take the figures, go over them and mull them over. In them they will see a great deal to chew on. They are good figures. They show the position of Canada. One thing that I thought was rather remarkable is the fact that the imbalance of trade has now been wiped out. For the first time in many many years we have a credit balance of trade with other countries, and we have this credit balance despite an increase in imports and exports throughout Canada.

There is no question but that we are doing very well. The businessmen of Canada and incidentally the press, barring *Barron's Weekly,* seem to take a fairly good view of that which is being done by the present government; in fact they take an excellent view. I know you will find the odd little Liberal press clipping here and there to wave around and say, "Look here", but the general thought is favourable, and this is the thought throughout the constituency. That is the important thing, after all is said and done, for one who knows the difference between the brass and the grass. If you know your grass you know that your own businessman is a fairly happy person.

I would also recommend the speeches made by the Minister of Labour. There is a great deal in them. I would particularly point out what was done with regard to the winter works program. Last year this government paid out as their portion of the labour costs in all projects the sum of $32 million. That is a great deal of money. That means that the projects which were put into effect were rather large, when you consider them in total sums of money. Incidentally, I would point out that this is not a payment to the provinces, it is a direct payment to the municipalities on winter works. It is a direct payment in addition to all the other substantially increased payments which we have been making to the provinces and the municipalities in other forms.

The Minister of Labour mentioned vocational training. I think we owe him and the government a debt of gratitude also for putting that program into effect. In the city of Kelowna I am happy to say that the provincial government has seen fit to put up a vocational training school, and it is not going to be a small one. I think it is only fair to point out that this government is paying three quarters of the cost of that whole set-up. I have reference to the building or the fixed plant. It is only fair also to point out that certain other costs are shared with the provincial government. I refer to the cost of vocational training education. Furthermore, the cost of training teachers is shared as well. People do not seem to realize it, but the federal government has extended the act in order to give benefits to the provinces.

Last night we heard criticism from the hon. member for Welland with regard to the dollar discount. Strangely enough, there is criticism of the dollar discount on the part of Liberal candidates in the province of British Columbia. Some of them are even writing to the press about the matter. To my mind they are committing political suicide, because the province of British Columbia, one of the great exporting provinces of the dominion, has gained immeasurably in export trade since we devalued the dollar. I have in mind my own industry, lumbering, which is the biggest industry in the province of British Columbia, and also the fruit industry, particularly apples. I can also say with authority that a mining boom has started in the province of British Columbia since the devaluation of the dollar, the like of which we have never seen before. These are long term plans.

The criticism is that we are wrecking the economy of Canada by the devaluation of the dollar. I say that is utter tommyrot, and persons who utter such statements have not taken the trouble to study the matter thoroughly. Canada is clamouring for exports, and we are now in a much better trading position. In addition, all the little articles that are imported into Canada now enter with what might be called an additional invisible tariff barrier against them.

The difference in the value of the dollar has made a tremendous impact as far as we are concerned. Apples are exported from my

constituency to the United States, and on such exports we get 7 per cent or 8 per cent more. Practically every apple exported from Canada comes from my constituency or the constituency of Okanagan-Revelstoke. We are getting extra money for our apples. In addition, our competitors in the United States are faced with an invisible barrier of 7 per cent so far as the export of their product is concerned, making a total difference of from 15 to 20 per cent.

We have heard a lot about the deficit and deficit financing from various members, but to my mind the criticisms are ridiculous. In the briefs which labour has presented to the government throughout the years, labour has said that more deficit financing and more government spending are needed. We are doing that. The people of this country have asked for deficit spending. We need more public buildings, and we are providing them. But I think the important thing to know here is that the total accrued deficit of the government is more than balanced by the total of the increased payments to the provinces.

Mr. Pearson: Oh—

Mr. Pugh: The Leader of the Opposition says "oh". If he will finish his sentence I will try to answer him. He does not. The figures are easily garnered from available statistics. The total accrued deficit since we came into office amounts to $1.4 billion, while increased payments amount to $1.7 billion. That is something that members of the opposition should mull over, because we have many other increased payments. If we have a deficit, I think we have been doing very well to more than balance it by one item, increased payments to the provinces. But when you also take increased payments to veterans over the last for years, what do you get? You get a rather large total. Then there are all the public buildings that have been erected. Add up the cost of all these over the last four years and what have you got? Then there are the social justice payments which the opposition have been sort of pooh-poohing, but none the less at present they are bidding like fury to outbid us. There are many items that would come under that category, but I do not want to prolong matters by going into all of them. If you add up all these items and balance the total against the deficit, big as it may seem, we have a very healthy balance, one of which I am rather proud.

Mr. Martin (Essex East): Will my hon. friend permit a question?

Mr. Pugh: Yes, go ahead.

Mr. Martin (Essex East): Could my hon. friend give us the basis for the statement he made a moment ago about the balancing off between the deficit position of the nation and the payments to provinces made by the federal government?

Mr. Pugh: I suggest to the hon. member that he frame a question and put it to the Minister of Finance tomorrow on orders of the day. The minister will have a ready answer.

Mr. Martin (Essex East): The fact is that you made a statement which you cannot back up.

Mr. Pugh: I have made this statement because it certainly points up something of which I am rather proud and of which the government is rather proud. It is something that can be supported by facts. Provincial payments are a rather sore subject so far as the former government are concerned. They say that they did this and they did that but, with particular reference to the province of British Columbia, when you total all the payments in each bracket right down the line they bulk large. There is no question but that from the time we came into office the payments have been bigger and better. If the hon. member wants to ask the Minister of Finance a question tomorrow I am sure he will give the hon. member the exact figures, $1.4 billion compared with $1.7 billion.

I must close, Mr. Speaker, but before doing so I should like to refer to the hon. member for Niagara Falls. In introducing the amendment the hon. lady stated—I cannot quote her exactly without looking up her words—that we want to tell Canadians now that they have never had it so good, and that we apparently do not propose to do anything except publicize our meagre accomplishments. I hate to take exception to what a lady says at any time, but she is in politics and I cannot help thinking that if she would do a little more homework she would probably get a better answer. That must have been the real reason behind this rather pusillanimous and ineffective amendment. It is very general in its terms and is merely a rehash of Liberal bemusement and indicates, if I may say so, their inefficiency in opposition.

The hon. lady is due for a shock, and so are the rest of the Liberals. Why do I say "shock"? I say so first of all because Canada is on the march. This is something that is not realized at all by the Liberal party. The policies which we have introduced in the last four years have been good for Canada and Canadians, for all types, sorts and sizes of Canadians. We want participation in the economy. Our legislation is designed to that end, and our policies are now being vindicated. Why also will the Liberals get a

shock? Because we are not content, as the hon. lady would have the house believe, to capitalize on past achievements. We will continue to introduce legislation for the betterment of Canada and all Canadians. The pattern is set, and this government will continue to serve.

Mr. John R. Matheson (Leeds): Mr. Speaker, as found in the Athens *Reporter*, the Minister of Trade and Commerce made this statement in Brockville on February 21:

> Final proof of the effectiveness of the federal government's action during these troubled years is that Canada's economy is moving vigorously ahead.

On February 22, sir, the Minister of Public Works delivered a lengthy address. On page 1157 of *Hansard* he is reported as saying:

> Now we are riding on one of the most prosperous waves—

On page 1159 he is reported as saying:

> Now that we are on the high road to prosperity—

On page 1160 he is reported as saying:

> We have made this magnificent contribution to Canada—

This is said, sir, with 609,000 people receiving unemployment benefits as of December 29, 1961. The Prime Minister has made statements in similar terms. According to Mr. Charles Lynch the Prime Minister, on December 20, said:

> It has been a wonderful year for me. I look back over it with a great deal of pleasure.

Reducing this problem to the local level may I tell this house soberly that for the last three years, 1959, 1960 and 1961, there have been substantially over 3,000 people unemployed in the town of Cornwall, which has a population of just over 42,000. The ratio of registrants to population in the town of Prescott, which is immediately east to the city where I live, is 15.5. There are now between 900 and 1,000 people in Brockville who are unemployed. I refer to *Barron's National Business and Financial Weekly,* to which reference was made by the previous speaker, the hon. member for Okanagan Boundary. This is the edition of February 19, 1962 and the front page story is headed "Playing With Fire; Canadian Economic Policy Sounds an Alarm for U.S.". May I read just two extracts from it:

> —a massive capital flight from the dominion already is under way.

Further along I read:

> For more than four years, then, Canada's Conservatives, adopting one misguided economic and fiscal policy after another, have been playing with fire.

May I read into the record the comparative table of indices showing the gross national product per person in constant dollars using 1950 as 100 per cent.

Countries	1950	1956	1960 (est.)
Japan	100	147	190
Germany	100	152	185
Italy	100	135	175
France	100	125	142
Netherlands	100	127	140
Sweden	100	115	128
United Kingdom	100	115	124
Canada	100	116	111

In constant 1954 dollars the per capita gross national product figures in the United States were, 1950, $2,096; 1956, $2,393; 1960, $2,442. Preliminary United States index figures would be respectively 100, 114 and 117. This table was prepared by Mr. H. G. DeYoung, chairman of Canada's productivity council. May I refer to a return which was tabled yesterday, I believe. The question of the government was:

> What is the percentage of foreign investment control in the years 1956 and 1961 in (a) the resource industries (b) the manufacturing industries?

The answer to (a) was only available up to 1959, and it shows that in mining and smelting the percentage of foreign investment control in 1956 was 58 per cent and in 1959, three years later, it was 61 per cent. In the manufacturing industries, in 1956 foreign investment control was 52 per cent, and in 1959 it was 57 per cent.

I refer this house to another answer that was given very recently, and it is related to the per capita production output for the years 1950 to 1960. Let me refer to just two figures. The figure for 1956 in constant 1957 dollars was $1,959 per capita and for 1960, the last available figure, it was $1,898. In other words, 1961 was less than 1956 by $61. Between 1955 and 1956 we had an increase in gross national product per person of 5.9 per cent and between 1956 and 1960 a drop of over 3 per cent. Using the average of seasonally adjusted to annual rates, gross national product figures in constant 1957 dollars for the first two quarters of 1957 and for the first two quarters of 1961, the last figures available to us, the per capita gross national product in real terms, that is in constant dollars, is as follows: 1957, $1,945; 1961, $1,863, a relative loss in gross national product of $82 per man, woman and child, and a loss of $328 per theoretical family of four. This is the basis for our contention that these past four years have been the wasted years for Canada, and that is how they will go down in history.

By way of contrast, and simply to indicate how successful the common market has become since it was brought into being by the six nations in 1958, I should like to point out that during the brief four years all the member countries have achieved a rate of sustained

economic growth never before experienced in the history of Europe. Workers and employers, industry and labour, consumers and producers are sharing in an economic recovery and in a prosperity more rapid and more sustained than anywhere else in the world.

Listen to these figures. The gross national product of the European community rose 7 per cent in 1960 over 1959 in terms of constant prices, and climbed at a 5 per cent rate during 1961. Industrial production went up 12 per cent in 1960 and has expanded 25 per cent in three years. Is it any wonder, sir, that in light of these figures, which I have taken from *Reader's Digest* for February, 1962, our own Canadian performance has demonstrated a frightening downward deflection of growth trends? Perhaps we are wrong in saying that the affairs of Canada, from a business point of view, are not sound. However, we are in good company because there are many able people who agree with us. I think it is important that the government start listening to some of these people who are among their earnest supporters.

May I refer to the *Financial Post* of November 4, 1961, which contains an article entitled "We Need a National Goal for Expansion of Economy." The government may not like this article because it contains statements made by Mitchell W. Sharp, who is vice president of Brazilian Traction, Light and Power Company. Of course during recent months he has indicated a partisanship that is inimical to the government. Mr. Sharp has said:

> There are three fundamental issues of economic policy facing Canada today.
> How to deal with persistent unemployment.

There were 719,000 people unemployed in 1961, and that was far too many. The second fundamental is, how to adjust our trading policies to the rapidly changing world around us. In this respect, I feel that this government has done nothing except put its head in the sand. The third fundamental is foreign ownership. I read into the record a few minutes ago a table which indicated how unsuccessful the government have been in this direction, no matter what their purpose may have been. When you take out the figures for the trade with communist China, the contracts for which incidentally we are not permitted to examine; when you take out the figures for trade with Poland under extraordinary credit terms; when you take out the figures for trade with Castro's Cuba, then you find our 1961 exports are in a critical situation.

Mr. Sharp says what is needed are measures to stimulate expansion along efficient and dynamic lines which will permit future growth and adaptability in a highly competitive and changing world. He says:

> Our secondary manufacturing industries must be encouraged to keep abreast of the most advanced technology, to engage in a rapid rate of innovation and development, to seek areas of advantageous specialization and to achieve adequate scales of output so that they can compete effectively both at home and abroad.

I shall not go on to deal further with the article, but it is not only men like Mitchell Sharp who are saying this. There is also E. P. Taylor, and I refer to an article in the Toronto *Star Weekly* of November 4, 1961 which is headed "Economic Leadership Needed." In it the Toronto industrialist, E. P. Taylor, is quoted as saying:

> "Canada's international rating has slipped rather badly in recent years . . ." With other competitive countries increasing their national production at rates of 7 and 8 per cent annually, it's plain that Canada should step up its own rate of growth. We need national economic policies designed to bring this about.

The article goes on to indicate:

> In this, as in every other modern country, the ultimate responsibility for the state of the national economy rests with the national government.

On this we agree. Let us look at the Vancouver *Province* for November 15, 1961. There is an article headed "Canada still looks for real economic leadership", and it says:

> Mr. James Coyne, the former Bank of Canada governor, is no longer delivering broadsides from Ottawa or public platforms, urging Canadians to tighten their belts and live within their means.
> But others have caught his urgency.

The article goes on to mention industrialist E. P. Taylor, Neil L. McKinnon, and W. J. Kirkpatrick. It also states that Dean E. D. MacPhee, of the University of British Columbia, who is respected by thinking people, listed Canada's ailments as follows:

> The low level of productivity in industry.
> The balance of payments deficit.
> The high proportion of foreign investment.
> The rising level of prices.
> The changing order of international trade.

The *Financial Post* of November 18, 1961, has an article entitled "The basic health not good enough" which contains the following passage:

> The hard evidence that Canada is in basic, long term trouble, whatever the current little improvements, is plainly visible right now . . . it is clear that if Canada aspires to a real growth rate of slightly more than 4 per cent a year . . . no substitute will do for a bold, intelligent and responsible attempt to plan our prosperity.

That is from the *Financial Post*, and there are friends of this government who could be heard by the government had it the ears to hear. The Toronto *Telegram* of November 29, 1961 has an article by David Grenier, its financial editor, which is headed "High cost of stagnation". He points to:

> —resources concentrated in industries that were not growth industries.

The Montreal *Gazette* of December 12, 1961 speaks of "Economic growth hindered" and the opening paragraph reads:

Uncertainty about Canadian policy towards the European common market was described last night as one of the strongest inhibitions on economic growth.

The Victoria daily *Times* of December 28, 1961 had an article headed "Still Stagnation", and the *Financial Post* of January 27, 1962 had a page headed "Where do we go from here". It shows various indices of growth in the period from 1947 to 1962 (estimated) and they read:

G.N.P.: Sluggish since '56—
Business outlays: decline from a peak
Corporate profits: no real rise
Unemployment: double earlier rate.

The Toronto *Globe and Mail*, which is friendly to the government, on February 1, 1962 spoke of "Steady decline in productivity noted in Canada". That article refers to the excellent address given by J. D. Campbell, president of Canadian Westinghouse Company Limited the previous day, and reports him as follows:

The decline since 1956—compared with an annual gain of almost 3 per cent between 1949 and 1956—is a result of the shift of labour into the service industries, unemployment and idle capacity in industry—

Just because we do not share its views it is quite unworthy of us to ascribe all the blame for what has happened to the present government, but we on this side believe that serious and vital changes have taken place in the world and, for some reason beyond our ken and understanding, this government does not seem to be concerned about these changes. They appear to move against the tide. Is it not urgently important that we look at the situation where immigration has turned into emigration, and Canada's most costly exports have become the skills and brains of its people?

With our best customer, the United States, the government perpetuates an insidious campaign of anti-Americanism. With our second best customer, the United Kingdom, the government raises tariffs on cars and textiles. It refuses to consider offers of freer trade, and it threatens to undermine the commonwealth if Britain joins the common market, despite Britain's trade plight. With our fourth best customer, Japan, the government imposes excise taxes on radio sets, tubes and cigarette lighters, and increases the tariff on nails. It thus makes it almost impossible for Japan to earn Canadian dollars to buy Canadian products. As Arthur J. R. Smith says, "Protection is the gateway to a lonely and trivial splendour," and so our policy is one of jingoistic bellicose nationalism.

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May I ask the house to go back in imagination to a period when difficulties were much greater than they are now, in 1962. I am going to ask the house to step back in imagination to the wartime cabinet of Great Britain in June, 1940. At that time the cabinet approved the final draft proclamation of an Anglo-French union and authorized its dispatch to M. Reynaud by the hand of General de Gaulle. This was on June 16, 1940, and the contents of the draft were telephoned to M. Reynaud. I wish to read extracts from that draft, and may I add that it was primarily the work of Winston Churchill, that gallant leader of Britain. It states:

At this most fateful moment in the history of the modern world, the governments of the United Kingdom and the French republic make this declaration of indissoluble union—

The two governments declare that France and Great Britain shall no longer be two nations, but one Franco-British union.

The constitution of the union will provide for joint organs of defence, foreign, financial and economic policies.

Every citizen of France will enjoy immediately citizenship of Great Britain; every British subject will become a citizen of France.

We might well say "ridiculous", yet in 1941 a man for whom I have the greatest admiration, Charles Morgan, a former professor at Oxford, gave two addresses, one in New York and one in London. In each he read the following:

It must be clear that the simplest law of self-preservation requires that we have a friend and not an enemy in Paris.

But this strategical point is not the one I wish to make now. I put forward a different and more embracing claim—not that the strength and independance of France are necessary to our political survival but that the life and spirit of France constitute an idea the death of which would be the death of civilization. I have heard it said that France is decadent, that she is corrupt, that to the world of the future no good can come from her—

This was written on February 25, 1941.

—that the British empire and America can afford to do without her. I hold, on the contrary, that, in spite of her faults and failures, there is in her a unique element without which the energies and virtues of the Anglo Saxon peoples cannot yield their full fruit.

Of all the countries in the world, Canada is surely the one to support such a contention, to believe it and live by it. Winston Churchill, in his famous speech at Zurich in September, 1946 used these words:

Among the victors there is a babel of jarring voices, among the vanquished the sullen silence of despair. Yet all the while there is a remedy which would as if by a miracle transform the whole scene. It is to recreate the European family, or as much of it as we can, and provide it with a structure under which it can dwell in peace, in safety and in freedom. We must build a kind of united states of Europe.

When I was at the United Nations observing what was happening down there I noticed

an article in the New York *Times* of December 13, 1961 headed "Marriage of convenience: John Bull and B. Bardot".

And now suddenly this thing is happening. But what has been happening in all these years in Canada? About our attitude to these enormous changes of such far reaching importance culturally, economically, socially, affecting the survival of free people? This is one reason I so earnestly subscribe to the policies of the party to which I belong. I feel we must recognize that enormous changes are taking place in the world and that this unity of England and France—and of all Europe, indeed—is something that is ennobling to all mankind and in which we must participate in a vigorous way.

Can we not remember that when NATO was created the prime architect, according to the words of the chancellor of the University of London, was Mr. St. Laurent, who was then prime minister of Canada. It was our Mr. St. Laurent of Canada who had a major part in the formation of NATO, and it was certainly not thought in those days that NATO was something confined and related only to war. It was something very much larger than that.

Where do we stand on this matter? Our leader has expressed himself in rather clear terms, and I would ask hon. gentleman to listen for a moment. When the Atlantic trading community was first proposed by Lester B. Pearson in the House of Commons on March 21, 1960 the Leader of the Opposition (Mr. Pearson) said:

> There is no reason on earth why Canada should not at least associate itself in this initiative in an aggressive and formal way. It seems to me there is a real urgency in this matter. This is the time to do it if it is going to be done at all. The European countries are finalizing their respective trade arrangements and next year it might be too late for any alternative proposal to be made to them.

He spoke in almost the same terms to the Empire and Canadian clubs in Toronto on April 24, 1961, when he said:

> This process of Atlantic economic integration must take place for political as well as commercial reasons. It is necessary for the prosperity and growth of the Atlantic democracies. But it may soon be necessary for their survival.

Then in the House of Commons on April 25, 1961, before I had the honour of being here, he said:

> We should encourage European, economic as well as political integration on a basis of expanded, not restricted, trade, and then we should do everything we can to convert that European economic community into a political trade area with which, stage by stage, other free countries could be associated.

[Mr. Matheson.]

There are certain parts of Canada where they have caught the urgency of this. Certainly this is so in Winnipeg. A series of articles have been published in this connection. Max Freedman has written on this subject at different times, as has Maurice Western, who has written about "The Turtle at Ottawa." The Winnipeg *Free Press* has written repeatedly on the subject "Is Canada turning her back on destiny?", particularly in view of the great leadership that is now being shown by the present idealistic, energetic and courageous President of the United States.

> Mr. Kennedy's state of the union message was by any measure a bold and masterly answer to what Mr. Fleming seemed to be seeking, a superb act of leadership in the face of formidable opposition in his own country and abroad, and it must have been with this thought in mind that five senior members of the American cabinet journeyed to Ottawa last week end in the confident expectation that they would find their counterparts in the Canadian cabinet enthusiastic about the president's program.
>
> But according to the communique issued at the close of their talks the president's emissaries found nothing of the kind. "Canadian ministers," the communique said, "emphasized that the commonwealth trade links, including the exchange of preferences and the historic right of free entry into the United Kingdom market, were an essential cohesive element in the commonwealth association". Where the Americans came prepared to discuss the realities of the present the Canadians were able to speak in the platitudes of the past, delivering the same tiresome lectures with which they have been haranguing the British since the negotiations with the common market opened.

I submit that there is perhaps nothing more important and more exciting in political economy today than for us to think in terms of the sweeping changes that have taken place in the world since world war II. We know there have been various attempts in history, in the nineteenth century and indeed in the eighteenth century, toward a world community. We saw this with the British when they repealed the corn laws, and the subsequent sweeping movement towards new growth and development. It is noteworthy that there were just two countries which resisted this kind of economic development that was lifting mankind all over the world. There was Canada with her national policy of 1879, and in that same year Germany which moved in the direction of an imperialism which ultimately led to world war I.

We remember the chaos of the world community that produced world war I and later demonstrated itself in dangerous and insidious ways in the inflation of 1921 and 1922 and eventually the flight from gold. We saw France and Austria, and the United States pursue nationalistic monetary policies that were designed to do nothing but destroy the economic stability of the world and indeed most individual economies of the world.

But somehow or other we have got over that; at least we think we have. We think the world has been granted a second chance. In 1947 there was GATT and in 1950, through the energy of the French there was the Schumann plan. What a brave venture this was by the French with their old, traditional enemy Germany. We saw in O.E.E.C. a development in this direction. Finally these people determined that they could go a step further and there was the treaty of Rome which was finally signed in March, 1957 after much discussion and negotiation. In 1959 we saw the outer seven, led by Britain into the development of the E.F.T.A.

This is not only something that is happening in Europe. This is a movement, ecumenical in its concept, that is happening in other parts of the world. In our own hemisphere we found that in 1958 five central American countries under the leadership of Costa Rica were developing a customs union, and in 1960 there were seven other Latin American countries led by Argentina. This has all formed a great stepping stone to a future Latin-American commonwealth which is certainly going to be in the nature of a great common market.

On November 2, 1961 our leader made this statement with respect to Atlantic trade. This was prompted by the Herter-Clayton report from Washington. The Leader of the Opposition said:

> The Herter-Clayton report from Washington is of the greatest significance to Canada and all free countries. It would put the United States government right behind those principles of international trade that the Liberal party has advocated for a long time; principles that the Liberal opposition, since 1957, have consistently urged on a Tory government in Ottawa, which has just as consistently ignored or rejected them.
>
> Rather than collaborate with Great Britain in furthering these principles, in extending the European common market into an even wider common market, the present government has publicly upbraided and criticized the British government for moving in this direction. It has done this, even though it scorned a British offer of free trade with Canada made more than three years ago.
>
> It is high time that our government awakened to the implications of what is going on across the Atlantic—and now across the border. It is high time that Canada's interests were promoted by positive and constructive policies instead of being damaged by the negative and sterile policy of the government.

Then we have the Toronto *Globe and Mail* of January 2, 1962 asking this question: "Can Canada renew time that ran out during 1961?" Fraser Robertson says:

> For Canada 1961 may be remembered as the year when time ran out.

I hope this is not so. It seems to me that when we look fairly at the theories of political economy in this country, basically there is a very large measure of agreement among all our political parties. Actually we tend to think pretty much in the same way. There have been statements made which have been guarded and timid at times, but nevertheless statements which make us think that the government does perhaps understand something of the far reaching changes that are taking place right now and have changed the face of the world within the last five years. Is this government really a Conservative government in the terms described by William J. Newman, who is a distinguished professor of government at Boston? I hope it is not. If not, this is the time to prove that, because this is a critical and urgent and climactic moment in history. Professor Newman says:

> The Conservative society is the futilitarian society. It is futilitarian because it cannot expand and develop, will not expand and develop, the opportunities for change and freedom. Because it does not and will not do so it is a society which is useless to man because it has nothing to suggest how man can meet new problems and how he can create better ways of living.

Surely this government is in a position to assess the situation, to stop tampering, tinkering and manipulating and get down to basic problems, giving the direction that is urgently needed by industry, private enterprise, labour, agriculture and all segments of our economy. In other words, I put this question to the government. Have we not reached the point where we could enunciate bold, far reaching policy and give Canada a chance?

Mr. M. D. Morton (Davenport): Mr. Speaker, it is interesting for me to have the opportunity of following in this debate the hon. member for Leeds (Mr. Matheson), whom I knew at university. The hon. gentleman has a notable war record. I rather regret that he has fallen into his present company, because in former days when I knew him he was most optimistic, but I see that he has now adopted the gloom of the present company he keeps. It may be said that he and I recognize the same problems but adopt somewhat different approaches to them.

This debate has developed into a battle of statistics. It reminds me of the story of the gentleman who was six feet tall. He wanted to cross a river, and so measured its depth and ascertained that its average depth was two feet. And in crossing, he drowned.

The amendment presented by the hon. member for Niagara Falls may be characterized as a blunderbuss amendment. However, it did not go off with a big bang. The powder was not very explosive, and the pellets fell with a dull thud. The hon. lady is very pessimistic concerning Canada's future. I should remind her that in her own constituency in the last two or three years there have been developments that should cheer her up. I have a

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statement from the office of the industrial commissioner of the chamber of commerce of the greater Niagara district which indicates that between 12 and 15 new industries have been located in the area employing more than 200 people. Several highly promising negotiations are under way at present with firms showing an interest in establishing in the Niagara peninsula. Eight local firms in the last two years have spent more then $8 million in plant extensions, and have provided more than 200 new jobs. One large industry is starting immediately on a $30 million plant extension. During 1961 the Ford Company of Canada built a new plant in the Niagara Falls area. Two hundred and fifty people are employed in a development along the Welland ship canal. I thought the hon. lady would like to know about these things in the event she is really as depressed as her speech suggested.

I am disappointed that this debate has developed into a battle of statistics rather than of ideas. We all recognize the problems before us today, but in fairness we must recognize that they have not developed since the Conservative government came into power. They developed during the 22 years in which the Liberals were in power, and I think should be approached from that point of view.

The hon. member for Niagara Falls spoke at length about planning. I wonder if that represents a change of policy on the part of the Liberals, because for 22 years they followed a laissez faire policy and somewhat ridiculed those who spoke of a need for planning. The leader of the New Democratic party yesterday gave his definition of the word "planning". When both hon. members had concluded their remarks I was not sure whether the word "planning" meant the same thing to them, nor was I sure whether the type of planning of which they spoke would result in a controlled economy or merely represented a nebulous hope that certain things will happen.

I think it may be interesting to examine the views of the Canadian Chamber of Commerce as set out in their 1958 report, giving their assessment of 1957. Under the heading "Canada's Fiscal and Monetary Policy" it is stated:

> The year 1957, while a good year by most measurements of economic activity, and a record year for some industries, nevertheless registered a pause in the sharp upward thrust of the Canadian economy which commenced late in 1954. Over-all economic activity measured in dollars this year will probably be slightly above 1956, but in physical production will be no larger and possibly a little smaller. Demands on the economy remained strong in the early months of 1957, but towards the latter part of the year were less insistent, with inflationary pressures reduced, and many areas of business activity recorded declines from the corresponding months of 1956. Developments abroad were unsettling during the year. In the trade area Britain and France experienced serious economic difficulties, and many raw material producing countries were adversely affected by the continued decline in commodity prices. In recent months confidence was disturbed by Soviet technological achievements, and by sharp declines in equity markets. Such developments, along with some weakness in the United States economy have created uncertainties which must be carefully assessed in appraising the outlook for Canadian business in 1958.

These people understand the Canadian business situation. They assessed it and were honest enough to recognize that the conditions referred to resulted not from the change of government but from what had happened in past years and the international situation. Referring to 1957 they state:

> The past year has witnessed more cross currents in the Canadian economy than in any recent period. The inflationary pressures generated by the sharp advance of 1955-56 abated considerably as the year progressed, and by early fall money rates were receding from the high levels of the summer, reflecting less pressing demands for capital funds. On the one hand, shrinkage in external markets adversely affected exports of many basic products. Weakness was also noted in residential construction and in markets for some consumer durable goods.

Those in the Toronto area remember that at the beginning of 1957 there was considerable unemployment in the area, especially in the construction industry, because of the tight money policy of the former government. The then government did not make available to the industry the facilities at its disposal. Many people in my riding were out of work.

Some economists have just recently wakened to the fact that some of the difficulties of that period began to manifest themselves in 1958, but if they study history they will realize that the tight money policy of the former government in 1957 not only affected the construction industry but choked off the growth of many small businesses at that time. I recall many small businessmen who were planning developments in my area but could not proceed because of the tight money situation.

I wish to place on record a few passages from the Canadian chamber of commerce submission to the Minister of Finance and the Minister of National Revenue of February, 1962, which fairly assesses the situation in these words:

> Exports have been buoyant enough to reduce the trade gap substantially, capital expenditures have held up fairly well, consumer spending in recent months has shown signs of revival and unemployment is gradually being reduced. Furthermore there are encouraging indications for continuation of the business recovery in the United States, always a good omen for Canada.

And later:

> It is now evident in retrospect that Canada enjoyed exceptionally good fortune in the decade following world war II, and as a result of a

unique combination of circumstances forged ahead more rapidly than most other countries. This surge left its inevitable maladjustments, some of which may take as long to correct as they did to arise. The task of making necessary adjustments has been aggravated by the delayed emergence of many countries—particularly in western Europe—as keen competitors both in the markets of the world and in the Canadian market. There is no miracle by which the problems we face can be overcome in a day, but with the energetic and persistent pursuit of appropriate policies they can be overcome in the foreseeable future.

These policies must bring to bear all the imagination of business and government on a broad front, and must be directed toward increasing both consumption and capital investment at home as well as widening the market for Canadian products abroad. A judicious combination of fiscal and monetary policies, supplemented with other business and governmental measures, will continue to help materially in reaching these goals.

Then mark this statement, Mr. Speaker.

Fortunately, many of the programs that could be suggested have already been initiated.

As was stated, the executive council of the chamber of commerce accepts the extension of deficit financing into another year but with some reservations. Then further under "Tax Policy" we find the following:

The executive council wishes to commend the government for the steps it has already taken in the last two budgets to stimulate investment by an acceleration of capital cost allowances and to encourage research expenditures by the removal of past restrictions. These have been moves in the right direction. It is the view of the council, however, that more could be accomplished by giving greater incentives under existing programs, thus encouraging investment in more efficient plant and equipment that will operate at lower cost, and by the extension of measures to other areas, such as the export field.

Then again under "Monetary Policy" in the same report we find the following:

In view of developments of the last year which appear to have resolved some of the questions about which the executive council previously expressed concern and also having in mind that the royal commission on banking and finance will shortly be commencing its public hearings, the executive council has no extensive statement to make on monetary policy at this time. It would reiterate its firm belief in the necessity for close co-ordination between monetary, fiscal and other policies and in the desirability of maintaining flexibility in the monetary area in particular.

Mr. Martin (Essex East): That is a slam at the government.

Mr. Morton: If the hon. member will wait I think he will find that they agree with what the government has done.

Mr. Martin (Essex East): I say that is a slam at the government.

Mr. Morton: No. When I have finished what I am reading the hon. member may understand that it is a compliment to the government on what has been done. I continue:

The simultaneous requirements of a policy of easier money, of dealing with problems relating to a discount on the Canadian dollar and of assisting with financing the government's cash deficit will call for the exercise of greatest skill and imagination on the part of our monetary authorities in the months ahead.

Mr. Martin (Essex East): Hear, hear.

Mr. Morton: We all agree with that statement, of course.

Mr. Martin (Essex East): That is also a slam at the government.

Mr. Morton: The report continues:

The executive council expresses the hope that the developments of the last year, both in government and in the central bank, have brought about the conditions under which monetary policy will be able to fill the very important and exacting role which it is now expected to play.

In other words they agree with what happened last year, and the change. The report goes on to say:

The executive council commends the government for its energetic efforts to promote export sales through the expansion of its trade services and to increase productivity through establishment of the national productivity council. In the realm of trade negotiations—

And so on. It goes on commending the government for its activities in connection with trade. It states:

Our trade with the United States is vital to our economy and every opportunity of extending it should be explored. Finally, both the United Kingdom and the common market countries have indicated their willingness to participate in a program of tariff reduction on broad product groups. All these and other possibilities should be considered on their merits without slavish adherence to existing arrangements and in the light of the cold fact that without an aggressive and flexible approach Canada may find that it has suffered serious injury to its manufacturing industry and serious loss of its trade opportunities in the main markets of the world... The continuance of the discount on the Canadian dollar will also help to this end. The members of the government have given generous support to the need for exports by drawing attention to the subject frequently in their public utterances. It is hoped that this will continue and that the program will be encouraged by the adoption of further well conceived measures.

While recognizing that there is still a great deal to be done, that is the viewpoint of those in industry who have studied the needs of Canadian industry. Far from being pessimistic and far from being extremely critical, as the opposition has been, they have commended the government on the efforts that have been made.

An hon. Member: They are Canadian.

Mr. Morton: That is right. We need to take into consideration in this matter not United States quotations which have been so glibly quoted in this house, but rather quotations from those in our own country. There is another quotation which it might be well to put on the record. It is from the commercial

letter of the Canadian Imperial Bank of Commerce under the heading of "The Outlook for Exports":

During the year just past Canadian exports rose to new high levels. A feature of this increase was a marked improvement in trade with countries other than the United States and the United Kingdom. A high level of shipments was maintained to countries in western Europe, Asia and South America but exports to the United States lacked buoyancy until the latter half of the year when improvement in the third quarter pushed total exports to a record for that period—12.7 per cent higher than that of the same period in 1960.

As we know, for the first time since 1952 we have had a favourable trade balance. This was not something that happened just by accident. We all remember the early days, when the government proposed certain trade changes in order to be less dependent on the United States. The present opposition ridiculed that idea, and they have tried to becloud the trade issues today by casting an unfair reflection on the Canadian government and its attitude toward the common market. To hear them talk you would think Canada was the only country that was raising any question as to the implications of the common market.

Those of us who attended the commonwealth conference in London last year know that from every part of the commonwealth members rose and pointed out the adverse effects that entrance by Britain into the common market would have on their countries unless certain special preferences were given. Other countries, such as New Zealand and Australia, whose representatives have spoken just as strongly as have our ministers, have pointed out how their economy is much more directly dependent on their trade with Britain than ours, and they have said so in no uncertain terms. Nigeria and Ghana, whose major products are sold to Britain at the present time, would also be greatly affected by the entrance of Britain into the common market. India, which has based its new five year plan on the present trade arrangement with Britain, would be greatly affected by Britain's entry into the common market. They are very much concerned about what would happen to them. Even in England there are those who express concern about England's entry into the common market. Hon. E. Shinwell, a former minister in the Labour government, said this:

In 1959, we imported more than three times the amount from the commonwealth than we did from the Six. In 1960, we imported rather more than this amount. In 1959, we exported about four times more to the commonwealth than we sent to the countries of the Six. In 1960, we did rather better than in 1959—

At the same conference which we attended he expressed grave doubts as to England entering into the common market. One of the Conservative members also stated:

Of all those who have told me that we can go in and shape the community to suit our national purposes, none has ever said to me that we can go in on any other terms than on the acceptance of what is in article 3 about "a common customs tariff" and "a common commercial policy toward third countries". It would split the Tory party were we to bind, beneath the votes or veto of a foreign or supranational agency, our liberty to arrange our trade with Australia, India, or any commonwealth realm or republic.

Michael Foot, Labour, said:

What we should do is to have the courage to recognize that we have still great associations with other countries that we can develop. We have not attempted to do it on anything like the scale that we should have done. Let us agree that this house and the British commonwealth should make the real decision.

Then Sir Norman Kipping, director general of the federation of British industries, said:

You will have seen, in the aide memoire to members about British industry and Europe approved . . . by the federation of British industries, grand council, a significant sentence: "We will not support a solution which in effect meant that the commonwealth was to pay a substantial part of the price for British association with the common market". This is no expression of sentiment; it is an economic judgment.

As the hon. member for Leeds said, Mr. Speaker, it is true that these are challenging days. We must recognize changing trade patterns, but we must also recognize the implications of these and figure out as much as we can where we are going to fit into them. For instance, if Britain does enter the common market without being able to maintain the preferences in our favour there will be serious effects. For example, I understand that our refrigerators going into the English market get a 17 per cent preference. If Britain enters the common market we will lose that preference, and in addition we will have a tariff against us going into the common market of 10 per cent, which makes a 27 per cent difference in the tariff. That is something we have to take into consideration. Economically, are we geared to compete with this type of competition?

Then there is the political aspect. As I said recently in another speech in the house, with the assembly, the council and so on set up under article 3 or 4 of the treaty you have to abandon a certain amount of your sovereignty, and if the organization becomes a political union, as is the hope of the founders, where does the commonwealth go from there? Are we ready for that? Have we given any serious thought to the implications? Some have suggested that in the event Canada, as a result of natural trade trends, would become more and more a part of the United States and perhaps another state of the United States. These

are things that I believe we should be thinking about when we are talking about our national growth and where are going. Nothing about that situation has been brought up by the opposition except for a compilation of statistics. You can use statistics to prove almost anything, if you want, but they have skipped around the major problems and the things we are faced with today. They have made no suggestion as to what we are going to do about automation and other things that affect our trade. With great relish they have quoted figures on unemployment, but this battle of statistics on unemployment is not going to give food or clothing to those who are out of work.

Mr. Martin (Essex East): Hear, hear.

Mr. Morton: It is not going to give the person who is out of work the self-satisfaction and self respect he gets in obtaining a job.

Mr. Martin (Essex East): Hear, hear.

Mr. Morton: I hear the hon. member for Essex East say "Hear, hear"—

Mr. Martin (Essex East): We are waiting for action by the government.

Mr. Morton: —but all he does is quote statistics. In 22 years the Liberal regime, of which he was a major part, did nothing to prepare for the times we are faced with today.

Mr. Martin (Essex East): The most prosperous period in the history of Canada.

Mr. Morton: The hon. member says "the most prosperous period". I will not deny that, but it was during those times of prosperity that you were blind to the trends that are causing our difficulties today. You did not see the growing chronic unemployment. You were bailed out of difficulty by the first world war, the second world war and the Korean war.

Mr. Martin (Essex East): Tory times are hard times.

Mr. Morton: They are so blind today that they cannot see the new things that are being done by this party. They are still blind, and so are their economic advisers.

Mr. Brassard (Lapointe): And so were the people of Canada for 22 years?

Mr. Morton: I agree that the people of Canada were blinded for 22 years by the hon. member's party. Perhaps at this time I should put on the record some of the things that the present government has done, just to remind these blind people across the way of what has been done.

Mr. McIlraith: They have doubled unemployment.

Mr. Morton: We have not doubled unemployment.

Mr. Pickersgill: Yes.

Mr. Morton: We have inherited things that have caused unemployment. How can the people of this country be expected to go back to a party which has not yet learned the lessons it failed to learn in 22 years? First, the party to which I belong has greatly expanded the functions of the industrial development bank to provide small and medium sized firms with a larger source of working capital. Let the Liberals deny that. Second, we have made available loans to small business to provide working capital for those small but important industries which previously had no alternative source of funds for growth. During the tight money period started by the Liberals small businesses could not get money from the banks, while big businesses could.

Third, we have introduced accelerated depreciation to encourage the production of new products and the establishment of new industries in labour surplus areas. Fourth, we have set up a national productivity council to help industry to become more competitive and thereby increase sales and provide more jobs. Fifth, we have established a national design council to assist Canadian industries with their design problems by encouraging improved design to make possible more sales and more jobs. Sixth, in co-operation with the provinces the federal government is providing substantial assistance for the training and retraining of large numbers of the labour force. The object of this program is to prepare workers for the rapid technological changes which are taking place in Canada's industries. If Canada is to take its place as a modern industrial nation, its workers must have the skills to staff our modern factories.

There is something the Liberals neglected during the period they were in office. Today we lack certain skills in certain industries because they did not have the foresight to do anything about it except during the war. I will grant that during the war period they did help, but once the war was over that was as far as they would go. I know that in my own riding the government has authorized a new school, the Edith L. Groves junior vocational school, at an estimated cost of $1,211,000, and the federal government's share is about $908,250.

Mr. Martin (Essex East): It was the province that authorized the school.

Alleged Lack of Economic Growth

Mr. Morton: True, the province authorized the school, but at least the federal government offered the province assistance which was not given to them before.

Mr. Nesbitt: Seventy five per cent.

Mr. Morton: Seventy five per cent of the cost.

Mr. Martin (Essex East): Based upon an act introduced by a Liberal government.

Mr. Morton: That is right. They put a lot of inactive acts on the statute books, and this party had to put some life into them.

Mr. McIlraith: You mean you had to create unemployment?

Mr. Morton: You created it and we are trying to get rid of it. Perhaps I am unfair, Mr. Speaker, in saying that. I realize that world conditions did have some effect. I would not like to give them credit for being able to even create unemployment.

We also introduced the industrial promotion branch which has been created to help new industries become established and to expand old industries. During the past year there have been 12 meetings held with various provinces across this country. Representatives of these industries have sat down with government representatives who try to ascertain how conditions could be improved for the industries. There were three of them in Ontario which were very enthusiastic and who wanted to have these meetings.

Now, Mr. Speaker, the hon. member said we had done nothing. Of course we have done many things, only the opposition is too blind to see them. They are suffering from the same blindness that prevented them from seeing these problems accumulating while they were in power. I had hoped at this time to have some statistics to indicate the development of metropolitan Toronto. They do not appear to have come to my desk at this moment.

However, in closing—

Mr. Pickersgill: There is a shortage of ammunition in the battle of statistics.

Mr. Morton: I just wanted to show that Toronto has been growing. We have been mastering the unemployment situation. However, there is still a great deal to be done. Before we take into consideration too much of what the opposition has said in the amendment before us, I should like to emphasize the fact that it was their arrogance and their tight money policy that led the people of Canada to vote against them. The present opposition had become fat and lazy when they were in power, and they had no economic policies. I think, Mr. Speaker, that the Canadian people will think twice before they go back to this party which brought the people to the verge of the difficulties they are facing today.

The Liberal party has not learned very much since that time. In fact, Mr. Speaker, they remind one a great deal of the immature little boy who has been tripped and, in his rage, he starts kicking the thing that has tripped him. This is illustrated by the incident we saw in the house the other day when one hon. member turned and kicked the person who had tripped him, namely the Prime Minister (Mr. Diefenbaker). He started a personal vendetta against the man who had tripped him.

Mr. Martin (Essex East): You are very critical today.

Mr. Morton: The hon. member says I am critical. I know I am usually quite calm, but after having heard the barrage of nonsense that came from the other side, I finally became aroused.

Mr. Pickersgill: He was just quoting the Minister of Finance, you understand.

Mr. Morton: No, he was just misquoting the Minister of Finance. I place more reliance on what the Minister of Finance has said than on what the hon. member for Essex East has said.

A great deal was said last night about the cost of living index during the time the Conservatives have been in power. I think perhaps, in fairness, it ought to be shown that there was a little increase during the time the Liberals were in power.

Mr. Pickersgill: More statistics.

Mr. Morton: That is correct; we have to fight fire with fire sometimes. If we left on the record only the statistics which hon. members opposite have quoted, perhaps the people of Canada might be misled, although I count a lot on the intelligence of the Canadian people. Between 1946 and 1948, the consumer price index advanced more than 25 per cent. This is one period during which the Liberals were in power. Then, with the outbreak of the Korean war in June 1950 came a resurgence of pressure on prices and in the course of the next 18 months further major upward movements took place. The consumer price index rose from 102.7 in July 1950 to 118.1 by December 1951, an increase of 15 per cent. Then between 1956 and 1957 there was an increase of 6.8 per cent. I put these figures on the record just to balance things up.

It is true that the cost of living has risen since we first came into power. The first year it rose more rapidly than it has latterly. However, these things happen in spite of

what may be done. I do not think they are to the credit or to the blame of any political party. I think the sooner that we, as members of parliament, realize this is more than a battle of statistics, then the sooner we will get at the fundamentals of the problems that are facing this country and the better it will be for the recovery and continued prosperity of the country.

Some hon. Members: Hear, hear.

Mr. Morton: I am glad hon. members applaud because this is the very thing we need them to recognize. I am sure that the things the government has done and will do, will aid the people of this country. I am not one who says we have done everything that can be done and that we have solved all the problems. However, at least this party is recognizing the problems and trying to do something about them, which is more than the Liberals did during their 22 years.

Mr. W. M. Benidickson (Kenora-Rainy River): I found it very interesting to follow the hon. member for Davenport (Mr. Morton). He referred to the 22 years the Liberals were in power, and that seems to have been a sort of theme song for the government backbenchers. I want to remind them of the solid basis that was created after the end of world war II. This government has seen fit to introduce measures which, in their relationship to the social and economic advancement of this country, have been merely the placing of one brick upon another, so to speak on a foundation created by the government of Mackenzie King.

Mr. Fleming (Eglinton): May I ask the hon. member if he is referring to the $46 per month old age pension?

Mr. Benidickson: I am referring, Mr. Speaker, to the fact that when old age pension legislation was introduced by the Liberal party in 1925 and 1926, and by the former member for Kenora-Rainy River, it was the Conservative Senate, with its huge majority, which blocked that advance in social legislation.

Mr. Pickersgill: And the Prime Minister was one of their candidates at that time.

Mr. Benidickson: I am going to say that in 1945 when family allowances were introduced by the Liberal government and which, by the way, have not been touched by this government in almost five years, it was the associates of the Minister of Finance (Mr. Fleming), and I think he sat with them in the opposition, who strongly opposed this suggested social improvement.

Mr. Fleming (Eglinton): Will the hon. member point to a single associate of mine who was actually sitting in the house at that time?

Mr. Benidickson: I will refer to the Secretary of State for External Affairs (Mr. Green); I will refer to the British high commissioner in London, I will refer to the lieutenant governor of Ontario, who sat in this house for the city of Toronto.

Mr. Fleming (Eglinton): The hon. member had better be a little more careful.

Mr. Benidickson: This is not a new line of argument on economic matters such as we have before us, as was advanced by the hon. member for Davenport (Mr. Morton). We inherited troubles.

Yesterday the Minister of Trade and Commerce used the phrase "We have been in office for four and a half years." I want to remind some of those on the opposite side that this argument was attempted by the last prime minister with a Conservative tag, the late Lord Bennett, when he said he inherited troubles and had not corrected them. At the next opportunity the Canadian people put him out of office.

Mr. Henderson: That was the greatest mistake they ever made.

Mr. Pickersgill: They have just been complaining for four and a half years.

Mr. Benidickson: We heard from the hon. member for Davenport, who preceded me, that from a Liberal government we could expect a return to what he called a tight money policy. I do not want to deal with that at any length, but I do want to remind him that as a result of the terrible financial policies of his government the Canadian taxpayers on their federal debt alone are paying in interest more than $200 million more than what they paid in the last year of the former Liberal administration.

I want to say that the Minister of Finance cannot get away for long with gimmicks and sleight of hand, such as he introduced even in his most recent tabling of estimates. It is to be found that despite the fact that interest rates are not going down to any appreciable extent, and despite the fact that our total debt is going up, in his estimates the Minister of Finance conceals a possible expense in the forthcoming year to the extent of more than $50 million. He indicated that in a comparison of this year's interest costs with last year's interest costs, as presented in the book of estimates, there was a difference of $50 million, because in a side note on the same page —and perhaps the minister knows this—it is indicated that the actual expenditures for

interest when he presented the blue book, were $50 million more than the figure he uses in the main tables when he compares 1961-62 estimated costs of interest with the estimated costs of 1962-63.

Mr. Fleming (Eglinton): Is the hon. member not aware that the bases of estimating these interest charges are precisely what they have always been year by year? There has been no change in the bases of those estimates in any respect.

Mr. Benidickson: The only member of the government who has yet spoken is the Minister of Trade and Commerce, who spoke yesterday. He is of course a very cheery cheerleader for the government, but if one examines his speech he can find that it is not from this side but from the other side that one gets misleading statements.

I quote from page 1268 of *Hansard* where he referred to "the greatest prosperity this country has ever known." He also referred to an increase in exports of close to 8 per cent. I propose to deal with some of those matters. The hon. member for Okanagan Boundary (Mr. Pugh), who has just interrupted me, referred to the phenomenal growth in gross national product and said that businessmen are happy in Canada today.

Now I do not want to quote from those who might have a partisan view. I shall refer to some appointees of the present government, and perhaps first and foremost would be the president of the productivity council. The hon. member for Leeds made reference to that this afternoon. I am not going to repeat some of the indications that are available as to whether this country has been growing or, on the contrary, getting behind under the present government. These are the words of Mr. DeYoung, president of the productivity council:

> Let the figures speak for themselves. In terms of gross national product per person in constant dollars, using 1950 as 100 per cent, Canada shows itself as the losing team, limping sadly behind the competitive pack.

The hon. member for Leeds gave the comparative figures for various industrial countries of the world, and all these things have to be considered in relative terms. Rather than take a source in Canada, let us take one of major consequence in American investment. I refer to the Morgan Guaranty Company of New York, which looked at Canada's progress under this government. The hon. member for Okanagan Boundary (Mr. Pugh) says the government's programs have produced phenomenal improvements in our economic activity—

Mr. Pugh: What are you quoting from?

[Mr. Benidickson.]

Mr. Benidickson: The Morgan Guaranty Survey, reported in the *Financial Times* of June, 1961.

Mr. Fleming (Eglinton): That is eight months ago.

Mr. Benidickson: You had been in office over four years at that time. The report says:

> At an average 1.3 per cent per year, real economic expansion since 1956 has not kept up with the increase of population and labour force. Real output per capita has declined more than 1 per cent a year. Amid this slippage, the unemployment rate has doubled in four years to an average 7 per cent of the labour force.

I have referred to one member of the productivity council, its chairman; but first let me refer to another appointee of this government, the well known Canadian industrialist Mr. E. P. Taylor. We hear from the government benches that we, on this side, are creating a bad image for Canada abroad. In some respects it is flattering to think that a relatively small group could get such attention abroad; but Mr. Taylor, who has taken a great interest in the possibility of investment abroad, has made some comments.

He says that in his view Canada has never had as poor a reputation among business people abroad than that which has been typical of the last few months.

Mr. Pallett: That is utter nonsense.

Mr. Benidickson: These are interesting items to which I think the government should pay attention.

Mr. Pallett: Where did the hon. member get that last quotation from, or what is alleged to be a quotation?

Mr. Benidickson: I am referring to an article by Mr. Fraser Robertson, financial reported of the *Globe and Mail*, which is a publication that normally has good will towards a Conservative government, and it quotes Mr. Taylor in that report.

Mr. Pallett: Perhaps the hon. member would put the entire quotation on the record.

Mr. Pearson: That would make it even worse.

Mr. Benidickson: It would. We have heard from the Minister of Trade and Commerce that businessmen think this government is wonderful. We also heard that today from the hon. member from Okanagan Boundary (Mr. Pugh), but the president of the Canadian Chamber of Commerce, Mr. Kirkpatrick said he sees no indication that we have yet provided the conditions necessary for the continued growth we require. That is the essence of the motion of want of confidence that has been moved here.

I think all hon. members have developed an admiration for the talents and abilities of Professor John Deutsch, who appeared before the Senate committee on unemployment and who was at one time secretary of our treasury board.

Mr. Pickersgill: And who is now on a commission appointed by the government.

Mr. Benidickson: Indeed the government showed their confidence in him, as the hon. member for Bonavista-Twillingate indicates, because Professor Deutsch was made a member of a commission appointed by the government after the Senate reported on unemployment. He was appointed to that commission, which required cabinet recommendation. Professor Deutsch says:

> The recovery which is now taking place will have to be very much stronger than any of the cyclical recoveries since the end of the war if full output and employment are to be achieved.

Mr. Fleming (Eglinton): I think the hon. member should give the date.

Mr. Pearson: It is the *Queen's Quarterly,* current edition.

Mr. Fleming (Eglinton): The date?

Mr. Benidickson: That is available. I happen to have a copy of the *Financial Post* which contains a report of the speech given by Professor Deutsch as the vice principal of Queen's University.

Mr. Fleming (Eglinton): Then it was not in the *Queen's Quarterly*?

Mr. Pearson: Yes, it is.

Mr. Benidickson: Yes, and the earlier one—

Mr. Pearson: I will send for it for you.

Mr. Benidickson: Then I quote from a gentleman who has been very restrained in his comments but for whom I think all of us have a very high regard. I refer to Mr. Graham Towers, who for a long time has been silent after severing his relationship with government as the governor of the Bank of Canada. He says:

> We should not be satisfied with the progress of the Canadian economy during recent years. The fact that per capita gross national product is less in real terms than it was five years ago, combined with unemployment that has persisted at too high a level, should inspire a most serious and objective search for the reasons behind this unsatisfactory situation.

This is why I feel this house should be very dissatisfied with the kind of speech made yesterday by the ebullient Minister of Trade and Commerce. It is not enough to quote gross figures and not give relative figures, when Canada—as has been explained by so many previous speakers—in a relative way has been not even standing still but economically has been going behind under this particular regime.

Mr. Fleming (Eglinton): What does the hon. member mean by "going behind"? Is the hon. member seriously suggesting that the economy, as he says, is going behind?

Mr. Benidickson: In relative terms, when related to growth of population and those who need jobs.

Mr. Fleming (Eglinton): The hon. member is changing his statement now.

Mr. Pearson: The figures speak for themselves.

Mr. Benidickson: I say that is certainly very true.

Mr. Pickersgill: The per capita production.

Mr. Benidickson: Do not take my word for it, Mr. Finance Minister; listen to what was said this month by the *Financial Post,* which is perhaps the outstanding financial journal in Canada and which is impartial, as far as I know. If anything, it perhaps has a high regard for a Conservative government, if we have a Conservative government; but they are a little dubious as to whether we have a Conservative government, even with the present Minister of Finance in his present portfolio. They say:

> The Canadian economy is operating about 20 per cent below capacity. If men, money and materials had been fully employed in 1961, Canada's G.N.P. could have been over $44 billion instead of under $37 billion.

Some hon. members on the government side may have thought the hon. member for Niagara Falls was partisan or exaggerating when she gave the figure of $5 billion, but there is what the *Financial Post* has to say, and it is a much larger figure than was quoted yesterday by the hon. member:

> The result of falling below the trend line established between 1945 and 1957—

That is, under the former regime:

> —has been unemployment at twice the rates of the early 1950's—

Mr. Pallett: Why does not the hon. member quote the other extracts from the *Financial Post* which say that the government is doing a good job?

Mr. Benidickson: Perhaps my hon. friend will do that. I have not found that they have been anything but very critical of the over-all picture.

Mr. Martin (Essex East): You cannot find anything like that.

Alleged Lack of Economic Growth

Mr. Benidickson: They have been very critical of the economic policies of the present government.

Mr. Jones: Look at those nervous Liberals.

Mr. Benidickson: When we find uneasiness about the staying power of the present increase in current expansion the real answer that we must get from the government is an indication of what they are going to do beyond what they have told us in the speech from the throne, to make sure that these huge losses in production and wealth and their impact on human misfortune are not to be continued. Mr. Walter Lippmann, the well known correspondent in Washington, says that down there there is something different; President Kennedy is seeking not only power but is making plans to catch the recession before it gains momentum.

Mr. Fleming (Eglinton): Will the hon. member permit a question? Will he point to one place where Mr. Walter Lippmann said what the hon. member has just now said, that they are doing things differently down in Washington from what we are doing here in Canada?

Mr. Benidickson: I should like to hear from my hon. friend what—

Mr. Fleming (Eglinton): This is your statement.

Mr. Benidickson: I should like to hear specifically what my hon. friend, who is the senior economic minister—

An hon. Member: Answer the question.

Mr. Benidickson: —is doing to catch the next recession before it gathers momentum, because—

Mr. Fleming (Eglinton): Will the hon. member not put words into Mr. Walter Lippmann's mouth that Walter Lippmann has never used at all.

Mr. Benidickson: I am quoting exactly.

Mr. Pickersgill: We have another Speaker now.

Mr. Fleming (Eglinton): The hon. member is not quoting Walter Lippmann.

Mr. Benidickson: I am so used to the Minister of Finance calling everybody in this country a liar, including me and most of the hon. members in this house—

An hon. Member: Shame.

Mr. Benidickson: —that it really rolls off me.

An hon. Member: You can easily prove him wrong by reading the quotation.

[Mr. Martin (Essex East).]

Mr. Fleming (Eglinton): Show us what Walter Lippmann says.

Mr. Benidickson: I have quoted exactly.

Mr. Fleming (Eglinton): You did not.

Mr. Benidickson: We have here a motion of lack of confidence that the government in relative terms has not been advancing a program which is adequate to take care of the growth in our economy that would result in relatively full employment, relatively good tax revenues and relatively good progress. That is the essence of the amendment before us.

A subamendment has been put forward which reads in this way:

> by the expansion of public and co-operative ownership for such purposes as the operation of utilities, the development of resources, the elimination of monopoly concentrations of power, and the operation of major enterprises immediately and directly affecting the entire nation.

Speaking for the official opposition I may say that while some of the wording of that subamendment is effective, we cannot support it because in our view it is undesirably restrictive of the main amendment. The main amendment says that by any possible form we must have growth. We believe that this growth would normally come from the encouragement of private business. We have never been loath as perhaps even our most understanding private enterpriser, Mr. C. D. Howe, has said, to have the state give the utmost stimulus to that type of growth.

Mr. Grafftey: What would he think of the hon. member for Assiniboia?

Mr. Benidickson: Emphasis is placed in the subamendment on the expansion of co-operation. Although this is important we do not believe this force would provide the greatest stimulus to the Canadian economy. We believe that incentives are required and that they would be most effective if applied to both public and private enterprise. The main emphasis to growth must come from healthy and vigorous enterprise throughout the economy. As we have indicated this requires planning beyond what this government is prepared to provide.

The productivity council has been in operation for a year and in my opinion has not yet reported in adequate form through a minister. I read yesterday that it is not an advisory board and has no authority. They deny all that. When the establishment of the council was announced in the throne speech in December 1960 there was much fanfare about the likelihood of its value. I hope a minister of the crown will tell us more about its usefulness and what it has accomplished, in a year particularly when it is denied that it

has authority of a kind we say would be desirable for an economic board or council within government for co-ordinating all the economic thinking and activity that takes place in so many individual departments and which at the moment possibly is not properly co-ordinated.

The other day I examined figures showing how much spending has been done by the government. I found that out of the unemployment insurance fund the following expenditures were made:

Benefit payments Year Ending	Amount
March 31, 1958	$385 million
March 31, 1959	478.6 million
March 31, 1960	415 million
March 31, 1961	513 million

We can only surmise what the figure will be for the year ending March 31, 1962. It is now evident that the Minister of Finance will not present a budget this month. But let us be generous to him and assume the expenditure will not exceed $450 million. If that were the amount the total expended since 1957 would be $2,242 million. At the end of December last there were 601,000 claimants. The actual holdings and investments dropped like stones since this government came into office.

Someone said the other day that when they looked at the figures for only two years it was seen that we could have built two St. Lawrence seaways with the disbursements. The St. Lawrence seaway was considered a major project for Canada. What about the Chignecto canal? What about the second trans-Canada highway about which the Prime Minister spoke the other day in Edmonton? Is the government simply going to drop these sums of money in unemployment insurance like stones without thoughtful planning?

The chief and basic problem as I see it in the four and a half years during which the present government has been in office, with unfortunate results, arises from the muddle, squabbling and disunity that exist within the government and its lack of cohesion and leadership. Is it any wonder there is confusion in the—

Mr. Fleming (Eglinton): Opposition.

Mr. Benidickson: —government.

Mr. Pickersgill: Memories of the Quebec visit.

Mr. Benidickson: That was quite a comic opera of family rows and contradictions.

Mr. Fleming (Eglinton): There were no family rows.

Mr. Benidickson: With respect to almost any subject one could mention we can charge the government and particularly the Minister of Finance and his department with confusing and contradictory policies. Where do we stand on interest rates? The minister has contradicted himself in every budget. What about the exchange rate? What about inflation? What about monetary policy? It is only a year ago the minister disclaimed any responsibility for actions and policies and then later decided to fire the governor of the Bank of Canada. In other words, we have had expedients rather than policies. This is the main roadblock to confidence in Canada today.

I invite the ministers of the crown to give us their opinions on a motion of this kind which is concerned with the growth of our economy. I invite them to give us information not only with respect to the productivity council to which I have referred but also with respect to the Bladen report.

In October a delegation from six communities where the automobile industry is established visited the Minister of Finance and indicated they wanted action and not eleventh hour decisions which are so typical of this government. There was no decision. Is there not something of consequence for our economy involved here? What about jobs?

Mr. Fleming (Eglinton): Would the hon. gentleman permit a question?

Mr. Benidickson: Yes.

Mr. Fleming (Eglinton): Would the hon. gentleman be good enough to indicate what action he and his party think should be taken on the recommendations of the Bladen royal commission?

Mr. Caron: That was put on the record yesterday.

Mr. Benidickson: I feel the report contained much relating to the efficiencies of large scale production. That could be given some encouragement by the Minister of Finance. With unemployment as it is this winter the minister should not delay giving leadership. From October when the representatives of six communities visited him until now, no decision has been taken. He should not delay until he brings down his budget, which we know will not be brought down this month.

Mr. Jones: The hon. gentleman has not answered the question.

Mr. Fleming (Eglinton): Does the hon. gentleman support the recommendations of the royal commission?

Mr. Benidickson: In 1957 the Conservative opposition concentrated on the oil industry. When the Conservatives formed the government they decided to appoint another royal commission. Again they put in wraps an

industry, perhaps the only one which could have made progress and substantial advances at that time. This government is very enamoured of royal commissions. The Clark report on social security, a vital document, gathered dust on their desks for three years.

I ask the government how concerned it is about stimulating the economy in view of its record with respect to roads to resources. In January 1958 the government introduced a program concerning roads to resources of very much interest to northern Ontario. The government's partners in office in Toronto were so disinterested that unanimity was not achieved and no agreement was reached. Instead of building roads which would have required an expenditure of $1.5 million on the part of the federal and provincial government in this period of severe unemployment and at a time when future unemployment might have been arrested, it was decided all they could expend was $500,000.

I ask the Minister of Trade and Commerce who is absent at the moment why there has been so much dickering with respect to the uranium contract. Would this not lead to job opportunities? This is typical of the lack of leadership we have in this country at the present time.

Last year when the Minister of Finance introduced the budget we thought he was placing considerable reliance on a policy of devaluing the dollar. He indicated this would have the effect of assisting our export industries. How can that be reconciled with his firm conviction of a year previous that this should not and could not be done, that it represented a gigantic gamble? This is another indication of the confusion, contrariness and unpredictability which is responsible for the hesitancy some businessmen and exporters feel about having faith in the economic policies of the government. I refer to trade. The Minister of Finance is known to be a person who has great skill in the use of his hectoring manners. He can go to conferences and bluster, scream and so on. But the question I ask is this. Where is the good will upon which we can build trade?

The hon. member for Leeds referred to a speech made by the Leader of the Opposition in 1961, and in which he indicated that if another party was in power they would not create this iron curtain, would not adopt these tactics of wringing hands and screaming through key holes rather than joining conferences, but would participate in a serious manner in order to ascertain whether some of the great positive ideals of extending world trade could be fashioned with their participation. But from this government we have heard only of furtive restrictions against our best customer, namely Great Britain. We have observed serious errors of judgment in connection with our trade arrangements with such countries as Cuba in reference to which, as will be recalled, the Minister of Trade and Commerce said, "You cannot do business with any better businessmen". The Leader of the the Opposition has been joined by some extremely eminent and distinguished people.

Mr. Fleming (Eglinton): Mr. Speaker, I think the hon. member will be fair enough to say that the minister who used that expression was frank enough to withdraw it later and to express regret. I am quite sure it is not worthy of the hon. member to refer to the original expression without also referring to the explanatory statement that followed.

Mr. Benidickson: Businessmen will be glad to hear that he withdrew it with regret. I do not intend to list all the company of people who belatedly, after the Leader of the Opposition spoke, saw some advantage in connection with our affinity with wider trade groups. However, the company is rather distinguished. I think of the president of the Canadian Pacific Railway and the president of the Montreal stock exchange. I think of Mr. Weston, one of our outstanding businessmen who also had some business experience overseas. I think of Mr. E. P. Taylor who also has extended his operations overseas. I think of the Canadian Federation of Agriculture. I think of the national chamber of commerce. I think of the presidents of the Bank of Montreal, the Toronto-Dominion Bank and the Bank of Nova Scotia, and there may be others.

On the part of the government we have had fumbling and indecision in connection with trade. I think trade is perhaps the only area of real value in which can be created new wealth which will give us the growth we believe necessary in order to provide employment and the progress which has not been forthcoming in past years when in relative terms, based on population and on a discount for the inflation which has taken place, this country has gone behind rather than forward under this government.

Mr. Jones: Not at all.

Mr. Fleming (Eglinton): Rubbish.

(Translation):

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I was very much surprised to hear the remarks made by the hon. member for Kenora-Rainy River (Mr. Benidickson), because ever since the present government has been in power, the opposition has voted in favour of all the measures proposed to the house by the government, as well as the estimates that were submitted,

except the measure concerning Mr. Coyne's dismissal and another one to help Canadian industry.

In fact, I am astonished by the attitude of the members opposite. If they criticize today, they are not logical with themselves because they have voted, as I have just said, in favour of all the legislative measures submitted to the house by the present government; they have also approved straight off the expenditures of the present government.

I was also surprised by the remarks made yesterday by the hon. member for Niagara Falls (Miss LaMarsh).

I was amazed to hear her repeat those words of the late Right Hon. C. D. Howe:

> If our national development had been left entirely to private enterprise, Canada would not have attained its present status as a nation. And unless government continues to take a lead by well planned initiatives, guidance and regulation, it will not continue to develop as it should.

Mr. Speaker, I found that when the Right Hon. C. D. Howe had to leave the realm of Canadian politics, he secured the directorship of more than 32 Canadian companies. In my opinion, the fact that he accepted all these appointments is directly opposed to the ideas he had put forward previously.

Mr. Brassard (Lapointe): It was a tribute to his competence.

Mr. Pigeon: Mr. Speaker, the opposition speaks of economic planning. They would like to see the state control private enterprise, so that everything would come from the state.

During the last world conflict, we had a taste of controls and restrictions imposed by the state on our Canadian economy, when capital and salaries were under government control. Individual freedom was also restricted, as people were often detained without any kind of trial. Well, I think that the Canadian people are not ready to accept such a controlled economy, which would put everything in the hands of the state and, thereby, destroy private enterprise.

The state should rather assume a complementary part, while freedom of expression and freedom of investment in our natural resources must be left to the individual.

Mr. Speaker, I have here the encyclical issued by His Holiness Pope John XXIII, entitled *Mater et Magistra,* from which I quote the following paragraph:

> Socialization is, at one and the same time, an effect and a cause of the growing intervention of the public authorities in even the most crucial matters, such as those concerning the care of health, the instruction and education of the younger generation, the controlling of professional careers and the methods of care and rehabilitation of those variously handicapped.

Mr. Speaker, the Right Hon. C. D. Howe, who is so frequently mentioned in this house and who was at the helm of this nation's economic affairs for many years, unfortunately did not have any vision with regard to this country's future.

Indeed, when, during the war, billions of dollars were spent on national defence, it would have been easy for him, I think, to conceive and prepare a program for post-war years. As a matter of fact, unemployment was certainly expected, since the unemployment insurance fund was created at the time.

Mr. C. D. Howe should have gazed into the Mackenzie King crystal ball to find means of setting up a program to help Canada's post-war economy.

Mr. Tremblay: Mr. Pickersgill had it.

Mr. Pigeon: Mr. Speaker, various commissions were established by that government, especially the Gordon commission which recommended that the people of the maritimes be given one-way tickets out of the Atlantic provinces.

The previous government did not have any confidence in the future of the maritime provinces, but the government of the day has, by its policies and its action, taken steps to hasten the expansion of the maritimes and it will keep on doing so.

Mr. Gordon's comments were an insult to the people of Canada and especially to all those living in the maritimes. Fortunately, Canada will never put its destiny in the hands of men like Messrs. Gordon, Pearson, Lamontagne and Pickersgill because it does not want to suffer again from the kind of planning it experienced under the previous Liberal government, that is belt-tightening policies.

Mr. Speaker, at the same time, they were lending millions of dollars for the construction of a pipe line in Canada.

Since 1957, Canadian exports have increased by 10 per cent, while our imports have decreased by 3 per cent.

May I be allowed to refer to an article published in the Sherbrooke newspaper *La Tribune,* which reads as follows:

> In the field of international trade, Canada must face strong competition from countries where the cost of producing articles we export is lower than ours. Until now, we have managed to hold our own inasmuch as the increase in the cost of raw materials and labour has been offset by an increase in productivity, but this achievement is becoming more and more difficult.

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This situation is causing grave concern in many circles which are well aware of existing conditions. Warnings have already been sounded, pointing out the danger for Canada of finding itself excluded from international outlets because of its inability to put products on the market at the same price as those offered by other exporting countries.

We are already affected by those circumstances at home and some industries find themselves in a critical position because of stiff competition from abroad. Exports are of vital importance to Canada and that importance is emphasized by the fact that our country ranks fourth among the trading nations of the world. A few days ago, the president of the Royal Bank of Canada warned his fellow-citizens and said that we had to expect that not only the Russians and Chinese but also other Asiatics and Africans would be in a position to offer manufactured products at bargain prices.

To meet that competition we will have to take the measures required: we must increase productivity and cut down production costs with all the sacrifices involved for the manufacturers and their employees. Otherwise we shall run the risk of being cut off from world markets, which could have serious effects on our prosperity.

I believe that it would be fair for labour, when negotiating the renewal of work agreements, to consider not only its own problems but also the fact that its action might have repercussions on the economy of this country.

Mr. Speaker, it is also appropriate, I think, to ask the Minister of Trade and Commerce to continue his efforts in order that Canada may have exhibits at international fairs. This is excellent publicity. In that respect, we should follow the example set by Japan which conducts intensive publicity throughout the world in order to sell its products. We should also encourage the Minister of Trade and Commerce to send, every year, trade missions throughout the world to make the economy of our country better known and to promote the sale of our products.

It would be a good thing also that the number of Canadian industrialists on those trade missions be increased and that a greater number of French-speaking industrialists join them, since there is a great number of French-speaking industrialists in the province of Quebec who would be happy to show their products abroad and thus contribute to the expansion of our external trade.

As far as agriculture is concerned, farm income reached a record level in 1961. Economists foresee the same thing for 1962. I wish to refer here to a speech made at the convention of the Cooperative Federee de Quebec, which was held at Mount Royal hotel in Montreal on the occasion of its 40th annual meeting. The convention was attended by 1,200 people. I quote:

Mr. Nadeau emphasized before the meeting that co-operative production plans are a sure means of raising farm income, since they are meant precisely to increase the net revenue of farm operators, to enable them to take better advantage of their own markets and to supply consumers with quality products.

Those words are not mere wishful thinking. In fact, with the exception of a few dairy products and barbecue chickens, most other farm products do not meet the needs of the people of the province. Quebec, which consumes 29 per cent of meat production in Canada, accounts for only 12 per cent of that production.

Thus last year, when there was a demand for 1.9 million hogs, only 1.5 million were marketed while 200,000 were imported. If the present rate of increase in population and the present rate of pork consumption per capita are maintained, the demand will be 2.1 million hogs in 1966 and 2.4 million in 1971. Which means that if production is to reach the level of consumption in 1971, production will have to be doubled between now and then.

Also, out of a total market of 125 million dozens of eggs in 1961, which will increase to 140 million dozens in 1966 and to 157 million dozens in 1971, Quebec produced only 62 million dozens in 1961.

Roughly speaking, it is the same story with regard to the production of turkey, lamb, beef and even veal.

On the other hand, co-operative plans are not new to co-operatives. Co-operatives have always brought under the same control, that of the farmers, the production, processing and distribution functions. The joining together of the means of action of a great number of small farms provides them with a great strength on the supply and farm product markets.

Finally, concluded Mr. Nadeau, production co-operative plans offer advantages both at the producers' level and at the local and central co-operative levels.

Mr. Speaker, it is important that Canadian farmers do not rely only on the state to increase their income. The state must help farmers, it must play a complementary role. I believe that one of the best means farmers may use to help themselves is to organize themselves through co-operatives, which are the ideal method for the controlling of production and for ensuring a stable income to Canadian farmers.

The present government has done much for all Canadian farmers.

According to the statement of the hon. member for Laurier (Mr. Chevrier)—a statement made outside the house of course—the Canadian government is giving everything to western producers and nothing to eastern producers. I consider that statement as untrue. The hon. member for Laurier would be ashamed to repeat those words in the western provinces.

Mr. Speaker, the present government is responsible for the increase of the floor price on butter from 58 cents to 64 cents per pound, which was put into effect to help our farmers.

When the U.C.C. was coming to Ottawa to submit its briefs to the then minister of agriculture, the government chose to ignore its briefs as well as those that were submitted by the Cooperative Federee. A subsidy of 25 cents per hundred pounds of milk has also been granted to our producers, under certain conditions. From 1959 to 1960, out of nearly $11 million handed out by the Canadian government for all the provinces of Canada, almost $5 million have been paid out to the farmers in the province of Quebec.

Mr. Speaker, the present government has been of great assistance to our Canadian farmers. Under the previous administration, the Canadian farm loan ceiling was $15,000, and loans could not go beyond 65 per cent of the value of the farm. Under the present administration, the loans range up to $20,000 and even $27,500, and they are accepted up to 75 per cent of the value of the farm.

Mr. Speaker, as my riding is a tobacco-growing centre, I wish to underline the fact that since July 1959, a special duty of 75 cents per pound is levied on synthetic binders imported from the United States. This duty has been imposed in order to assist the cigar tobacco industry in Quebec.

Mr. Speaker, the government of the province of Quebec also has its responsibilities as regards agriculture.

I notice that the order passed by that government concerning wood, and which gives the producers $11 per cord—

Mr. Speaker: I suggest that the hon. member for Joliette-L'Assomption-Montcalm is straying a little from the subject we are discussing, and I would ask him to come back to it.

Mr. Pigeon: Mr. Speaker, in order to correct a mistake I just made, I must say that in spite of an order from the provincial government, wood is still selling at $11 a cord. However, protests are being made to obtain a better price.

Allow me also, Mr. Speaker, to point out a situation that prevails now in the province of Quebec and which will surely affect the agricultural economy of this country; I refer to the provincial government's decision to refuse a higher school of agriculture to the Montreal district.

Mr. Speaker: Order. I see that I have again to remind the hon. member for Joliette-L'Assomption-Montcalm that the decisions taken by Quebec are not germane to the present debate. I, therefore, would ask him to keep to the subject of the discussion.

Mr. Pigeon: Mr. Speaker, I just wanted to draw attention to that question, because it affects the agricultural economy of the province of Quebec and of the country. However, I shall bow to your ruling.

There was also some mention of loans to be offered to municipalities. The federal government has some kind of a bank to grant loans to municipalities. We should think twice and use caution before implementing such a formula, so that it does not conflict with provincial autonomy, since municipal affairs are a provincial responsibility.

I wish to congratulate the Minister of Labour (Mr. Starr) for having extended, following the requests of Canadian municipalities the period provided for the winter works program. All those measures are a contribution to the country's economy.

There is reason to rejoice, Mr. Speaker, over the decisions reached by the Canadian government in the various fields of our economic activities.

As I said earlier, our opponents across the aisle, even though they criticized and made gloomy contributions to the debates of the house, have nevertheless supported all the leglislation introduced by the government and all the estimates, except in two instances.

(Text):

Mr. Walter Pitman (Peterborough): We are concerned this afternoon with an amendment dealing with the problem of economic growth. I think this debate has shown up the extent to which we substantially differ on how this can be achieved. I think I can agree with the hon. member for Niagara Falls that this will be the central issue in the coming election campaign because all other matters revolve about it. We cannot have full employment without economic growth. Our welfare policies, old age pensions, veterans pensions, and all the other means by which we transfer money from one group to another will be of no account without economic growth. Our foreign policy and our defence commitments can both be seriously weakened unless we have economic growth. Even our hopes for a better trained and more skilled working force can be destroyed unless we can achieve this kind of economic growth.

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We are, therefore, dealing with a very important decision. One of the former statesmen of this nation suggested that the twentieth century would belong to Canada. Well, we will have to make a decision very soon, within the next few years, or I am afraid we will have to revise that statement quite substantially. The New Democratic party believes that this goal can only be achieved by long range planning, and that the greater part of this planning must be done at the federal level. We believe that it must be done democratically. We believe that in every stage the planning should be under the scrutiny of the people and their representatives in this parliament. We believe this planning must be done with the co-operation of all concerned, of management, labour, farm and the consumer. All these people have a right to play a part in it.

Finally, we recognize the over-all responsibility of the representatives of the people gathered in this parliament in the formation of the actual goals to which this planning can be directed. In other words, the New Democratic party believes that democracy has an economic as well as a political connotation. Until this is an accepted part of our system, political democracy itself could well be in danger. I was very much interested last night in the speech by the hon. member for Brome-Missisquoi (Mr. Grafftey). He is always interesting. One of the remarks he made was that we must now allow the state to undermine the role of the individual. I believe my political party can agree with this because we believe that the individual can only work properly when the state itself provides the opportunity.

It has been said of this government by its spokesmen that it does not believe in planning. It believes rather in slogans; that the issues confronting this nation are those revolving about the distinction between free enterprise and socialism. The fact that a minister of the crown could make such a fantastic statement and not be laughed off the stage shows how far we are behind in our thinking about social and economic issues. In Europe, they stopped talking about socialism. They have stopped worrying about socialism and gone to work to deal with their economies which are moving ahead to provide the kind of growth which we in Canada need. They realize that the terms "socialism" and "free enterprise" are completely irrelevant in the twentieth century. How we in Canada with the Canadian National, Trans-Canada Air Lines, the national film board, the C.B.C. and Polymer, with our dominion coal board, the fisheries prices support board and the national research council, can talk about free enterprise, is indeed a mystery.

I am reminded of a little town not far from Ottawa. Sometimes in the summer I visit this town. There is not a single industry there and even the cheese factory has closed down. The railway trains do not even stop at the station any longer, but simply flash by. I wondered how these people actually lived, how they got along. I found out. At the end of the month, in came all the family allowance cheques, the old age pensions, the veterans pensions and the other various transfer payments we have in this nation. Of course, we agree with those. It is rather interesting, though, to note that in the last election every single person in that town but one voted for the Conservative party. This person was a postmaster who had been appointed during the Liberal regime. I suppose in the next election these people will go to the polls again and vote for the Conservative party, free enterprise. Well, this is the kind of dichotomy of thought we have in this country. I think it is an extremely strange thing indeed, that we are still talking about socialism and free enterprise. Well, of course, according to the philosophy of this government it is easy to be right, it is easy to be successful, because there is no basis for assessing either success or failure. There are no goals to attain and therefore there are no goals to miss. One would have to agree with a quotation from a little book I found recently in the library entitled "Undirected Society". It reads thus:

> The politician works among variables so numerous and so uncertain that his most brilliant insights can never be proved right and his grossest blunders proved wrong.

And so this government takes refuge in statistics as a giant curtain to hide the obvious.

We are told by the Minister of Trade and Commerce that there are more people at work than ever before. Obviously there are because the population is larger. Could you imagine the chaos if that situation did not exist? However, the government does not mention that there are more people unemployed now than in the 1930's, and the Minister of Trade and Commerce did not mention the social problems that this has created in many parts of Canada. He did not mention that in one city alone welfare is up 180 per cent over the previous year.

The Minister of Trade and Commerce told us that the gross national product is 22 per cent higher over a four or five year period, but does he not realize that the gross national product could be 100 per cent higher in 20 years time, and we could still have two thirds of our population unemployed? The only relevance his statement would have is

simply that technology has moved ahead; but we have not moved ahead in learning to provide employment. Thus we continue tinkering away, refusing to believe that the human mind can bring order and progress in areas of economics and social welfare as it has in so many other areas.

This element of economic growth is very important at this particular time because we have never been so conscious of the new trade patterns which are developing throughout the world. In many countries, including those in the European common market, there has been an acceptance of a much greater amount of government initiative and direction. They have set goals. They have set national goals and, indeed, international goals while we blither and mumble on about free enterprise.

We in Canada talk apologetically about a full employment society while these countries already have that. We talk about the possibility of a police state, should we try to set up a full employment society, at the same time forgetting that Great Britain, West Germany and many other countries have already achieved that objective. What other kind of society can we have? How can we compete with these countries when we have 7, 8, 9 or maybe even 11 per cent of our people unemployed during the winter months?

Let us look at this very dispassionately. Let us forget the amount of social welfare we pay at present to these people who are unemployed. Instead, let us remember we made a decision some time in the 19th century that we were going to keep people alive and not let them starve; that we were going to pay for them to eat and to be clothed and housed whether they are working or not. We decided that, and our Christian conscience demands that they be clothed and housed in a decent way, and kept at a level of subsistence which we could accept in our western civilization.

Once this decision is made, surely the only thing we have to decide is how we are going to implement it? When we ask ourselves that, we find we have only two alternatives left. We can allow them to become productive workers or we can allow them to be unemployed and be a drag on our whole economy. We can allow them to bear the cost of government and bear the cost of those things we regard as being necessary to our way of life, or we can allow them to take out of society what they must have in order to survive. Those are the only two alternatives we have. In fact it is only a matter of organization once you make your basic decision.

When he spoke yesterday, the Minister of Trade and Commerce said with some pride that for the first time we have a balance of trade. Is that the only thing we have to be concerned with—a balance of trade?

Mr. McIlraith: Only in commodities.

Mr. Pitman: Yes, a balance of trade in commodities; but that does not answer the major problem. The fact that we are trading wheat for transistor radios raises the point of the employment provided. I may say we are all very glad to see the wheat being sold, but I am sure all of us realize that the labour content of our exports does not in any way compare with the labour content of the imports we are bringing in. I think we should be more concerned about the level of exports which we have in manufactured products, a field in which we are far behind Italy, West Germany, Sweden and Switzerland. By exporting more manufactured products we are going to produce more labour and we are going to keep our people employed.

Mr. Pallett: Would the hon. member permit a question? What does he propose? How does he propose to deal with the problem?

Mr. Pitman: I am sure if you read our program you would find out. We believe in a far greater measure of social investment and in encouraging far more employment right here in Canada. We would also be interested in expanding trade as much as possible by giving low interest rates, credit and so forth. Indeed I would be very glad to send the parliamentary secretary a copy of our program.

Mr. Pallett: Is the hon. member suggesting higher tariffs against these imports?

Mr. Pitman: I can assure the hon. member for Peel that I am not suggesting higher import tariffs. I think I have stated already that we are in favour of selling our wheat, but we recognize a basic problem. It is one that must be faced—that we in our trade are not creating the same amount of labour here as in those countries we are trading with. This is obviously a problem which the government should face, and I think we have to develop our policies so that they can expand the amount of labour provided.

Mr. Pallett: Is the hon. member in favour of free trade, if he is not suggesting higher tariffs?

Mr. Pitman: We believe in free trade throughout the world over a longer period of time.

Mr. Nesbitt: Better tell them that in Peterborough.

Mr. Pitman: I have told them that in Peterborough and they are quite aware of the problem involved. My friends across the way do not realize that our and their supporters

are in favour of planning. I read an article in the *Globe and Mail* on January 16 entitled "Urge Quebec economy be planned". This was no group of wild-eyed radicals who wanted to create prosperity. The group mentioned in the article included the Quebec federation of labour, the confederation of national syndicates, the provincial chamber of commerce, the Catholic farmers' union and the professional association of industrialists. These are the men who are suggesting planning and among them are supporters of the present government.

I was also interested in some remarks made by Mr. W. S. Kirkpatrick, president of the Canadian Chamber of Commerce, whose name has already been used in this debate. He has been reported as suggesting the establishment of a federal group to accelerate expansion, a federal department of economic expansion. You see, you cannot set goals without planning, and according to Mr. Kirkpatrick we must do so in such a way as to accelerate the country's expansion and keep all Canadians working. He says:

> Such a department should not be an adjunct of an existing department but a separate ministry headed by a senior cabinet minister.
>
> It should have an advisory body, including the best brains of the country, drawn from business, labour, agriculture and academic circles, but selected as private citizens for their knowledge and experience and not as representing any group or organization.
>
> In consultation with this advisory group, the new department would have the responsibility of developing general economic policies, and other government departments would plan their actions within the policies so established.

It is interesting to follow the chamber of commerce and to view some of its latest pronouncements. I was interested in the remarks of Mr. E. P. Taylor who recently made his first speech in 16 years. What did he suggest? He suggested a "big daddy" on economics. I shall quote from the Toronto daily *Star* which carried the following article:

> Toronto's E. P. Taylor last night called for a federal "big daddy" to oversee the whole field of finance and trade.
>
> In an interview following his first public speech in 16 years, he said such a man should be responsible for several departments, including finance, trade and commerce, national revenue and labour.
>
> In his 40 minute speech concluding the Canadian Chamber of Commerce annual meeting, the president of the Argus Corporation got closer to the heart of Canada's ailing economy and came up with more concrete proposals than 650 delegates in three days of floundering.
>
> The speech was based on on-the-spot reports by two economists hired by Mr. Taylor to study economic trends in Britain, France, West Germany and Sweden.
>
> —he proposed the formation of a new federal cabinet post—minister of economic affairs. The minister, he says, would be a kind of "big daddy" over several departments—

[Mr. Pitman.]

It is almost Orwellian in its nature, if one remembers "Big Brother". He added:

> This man would be able to draw in people from business, industry and labour and put their heads together.
>
> The Germans have done this, and the French in a different way. This is one of the main reasons they are getting things done over there.

So says Mr. Taylor, but the labour movement has recognized this, and some time ago in his annual statement, Mr. Claude Jodoin stated:

> We suggest that the time has arrived when the appointment of a social economic advisory council should be effected as the first step toward a better relationship and a united attack on our economic problems.

We sincerely believe there is a need for planning by this government, and the second major problem is also associated with trade. It is the problem of productivity.

We are told that our prosperity depends on our productivity. We can see the need for this but what will be the effect on the entire nation, on those who are not going to receive the benefits of this productivity? We have a productivity council but how can labour be very enthralled if productivity means fewer jobs? Only by a national effort at productivity in which management and labour can see the advantages, can we achieve this. Labour must not be placed at a disadvantage.

Some days ago the Minister of Labour expressed dissatisfaction that there was a labour management committee in existence but no meetings had been held. It would be pointless to hold them, to get them together, when this government is against planning. There is no pattern into which they can fit their plans. There is no point in planning and getting together unless they know where the government is going, and certainly there is no way of being certain of that.

Just a little over a year ago there was a great gathering of the economic leaders of our nation in Ottawa. They met, presented their reports and went home. What came of it all? Perhaps some of its work found its way into legislation but certainly those who attended the meeting do not feel their suggestions have been given proper credence by the government.

There can be no assurance about the benefits of higher productivity unless the government takes a hand. There can be no assurance given especially if it means less work for more people. Unless it means general prosperity and not simply unemployment insurance plus higher profits, no assurance can be given. Neither the unions nor businessmen are going to place themselves at the mercy of unplanned inaction such as we have today. We feel the government is elected by the

people. It is the only democratic agency but it cannot play any part in electing union and business leaders.

Therefore we believe that the government has a responsibility to take hold of and take a hand in the economic affairs of this nation. We believe that the rights of the minority must be guarded and the rights of property must be respected, but we also believe that the rights of the majority deserve some respect and that the rights of the consumer and those people who are in distress, those who are aged or sick, must be respected.

The third program is also associated with trade. A few articles appeared in the Toronto *Globe and Mail* some weeks ago which indicated that Canada is going to find it harder and harder to compete in trade unless she begins to merge some of her industries; unless somehow we stop the fragmentation and allow the building up of much larger units of production. This was brought out in an article by Bruce Macdonald in which he said, quoting Humphrey Style, president of the John Inglis Co. Ltd.:

> It seems to me that part of our national policy should be to encourage mergers into larger units to get the cost advantages from greater volume of production and distribution.
>
> It may be that to achieve this greater degree of integration, while at the same time protecting the interests of the public in assuring them that the resultant cost advantages are passed on to them, some degree of modification of our existing anti-combines legislation and its implementation must be made.

Mr. David Henry, director of the combines investigation branch of the Department of Justice, substantiated this view in saying:

> In considering the implications of any particular merger the director is acting under the same disability that faces legal and economic advisers of industries planning to merge, namely that there is as yet very little jurisprudence that can serve as a guide as to how courts will view the legislation in light of particular circumstances.

So we are faced with the problem of having to plan great mergers, but how can this be done unless we do it within the pattern of a planned economy? How can we be sure that these mergers that we may have to allow to be formed, if we are going to compete for markets, will not mean monopoly prices, higher profits and once again appalling unemployment, unless there is some pattern of social justice in all the democratic planning with which this third program is concerned?

I read the speech of the hon. member for Niagara Falls and I am rather disappointed that the Liberal party is not going to support the amendment to the amendment proposed by this group. We in this group are rather surprised and sorry that the hon. member for Assiniboia (Mr. Argue) is not here to see this, because this amendment is taken directly from the program of the New Democratic party which was partly written by the hon. member for Assiniboia. I think he would be rather concerned to find that his political party is not accepting this particular amendment to the amendment proposed by the New Democratic group in this house.

I wish the Liberal party could accept this amendment because I am afraid that planning without such an amendment and without its emphasis will become a kind of research activity. It can too often become a tossing around of the ball. But surely decisions must be made somewhere, and the proper people to make the decisions are those who are elected democratically to make them. As it is now, of course, these decisions are made by stockholders, and rightly so. They are made on the basis of the best profits that can be secured for the stockholders—and why not? This is their very frame of preference; this is what they should properly base their decisions upon. But we suggest it is too narrow a frame of preference and that the needs of the nation may well be not the needs of Imperial Oil or Abitibi pulp and paper.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member, but it is now six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Pitman: Mr. Speaker, at six o'clock I was indicating that from the point of view of the New Democratic party, to achieve the kind of economic growth which is suggested in the amendment and subamendment it is paramount that some degree of responsibility be accepted by the federal government. I attempted to point out that there are several significant problems confronting the Canadian people today. These are problems of major proportions which must be dealt with within the near future or perhaps the opportunity to deal with them will pass.

The first problem is that of new trade competition, the competition provided by countries the governments of which have accepted a higher degree of responsibility and initiative and insisted on a full employment society.

The second problem is that of productivity. We face competition from nations which have recently engaged in a tooling up in industry on a large scale and in a modern way. We

cannot face this problem of productivity unless management, labour and indeed agriculture can feel they, too, will share in the benefits of productivity. Perhaps the farmer more than any other individual has already experienced disadvantages from productivity. He was told all he had to do was increase his production and his life would be one of considerable prosperity. As it turned out, of course, this was not true. His prices went down, his income continued to decline. Fewer and fewer are being supported in the agricultural segment of our economy as the years go by.

The third problem is that of larger productive units. The manufacturing industry across the nation is realizing that as this competition becomes more severe we will have to reorganize our economy into larger productive units. The small secondary industry may very well become somewhat irrelevant in the kind of trading competition we will have to face in certain areas of our secondary manufacturing. If this type of merger takes place without those affected feeling that it is taking place within the pattern of a plan, I am afraid this will be done only with the opposition of either management or labour because neither will have the assurance that they will benefit from the advantage of these large units.

The fourth problem upon which I wish to touch is that of retraining and education. We have really just begun to scratch the surface of the problem of retraining our people. We have come to the conclusion that we have tragically failed the youth of our nation over the past fifteen years. We have been supplying our need for skilled workers from immigration sources, bringing in people to do the jobs for which we should have been training our own people. We have made a start in this area but surely it is only a start. Unless we make some important changes in our economy I do not believe we can achieve the kind of dynamic results which must take place if we are to provide our younger people with the educational goals they require.

The European common market is not only planning economically but it is planning educationally. It is providing opportunities for young people to move from nation to nation. It is arranging for the acceptance of credentials of training between nations. This is the situation with which we have to compete. People will be able to take their skills back and forth among the nations. It is more than economic planning with which we must deal.

Our young people are very discerning in this area. You do not have to spell it out to them that we do not have any plan or national goal. They feel we are a society of drift rather than a society of decision. As a result too many of our young people have no goals and drop out when it seems convenient, perhaps through discouragement. As I say, we have made a start in this area of providing training but much remains to be done.

In the last 12 months we have experienced less immigration to Canada than emigration from this country. Some 70,000 persons came to Canada and approximately 73,000 or more went out. It is tragic to note that many who are leaving are among those who have received training in skills in Canada. This outflow must be stopped. It can be done only through establishing and achieving national goals and objectives.

Many speakers on the government side have appropriately shown enthusiasm about the pick-up in our economy. In 1962 we see an increase in our gross national product. We have made some advances in the area of trade. But I suggest this is the time we need planning the most. Now that the economy shows an upward trend we must ensure that it does not fall, with the disastrous results we have witnessed in the past. It will be of no value if this climb in the economy should be followed by a sharp decline within three or four years.

In the past we have turned to scapegoats. We have blamed labour for wages. We have blamed the Liberals for what they did prior to 1957. We may begin to blame the European common market. Perhaps in the future we may blame the communist bloc. But we cannot continue to find scapegoats. The government must accept the inevitable responsibility of the challenges of this era. We must not allow this to be simply a cancerous affluence followed by a disastrous depression. Only in a planned economy can we create taxation policies which will encourage and assist an ordered growth. Only then can we direct investment, both private and public, into those areas that will provide the kind of full employment which the Canadian people have a right to expect and indeed will expect in the next decade.

Our economy is enjoying an upswing but I suggest this is the time to discipline ourselves and provide the opportunities presented by the twentieth century, which we have claimed as our own. One of my favourite historians is Arnold Toynbee. His thesis is, of course, that every civilization rises and falls. He might bring this thesis into the area of the nation state. Every nation faces certain challenges. If it overcomes those challenges, it continues to rise, to prosper and to provide something meaningful within western civilization. If it fails to meet those challenges, then indeed it has no right to expect anything else but a falling down in its prosperity and influence throughout the world.

We in Canada face many ills. There is still squalor in our major cities. There is still ignorance. It is not illiteracy but rather an inability to meet the challenges of the technological age. There is still unemployment, as we have seen even in this winter of upswing. There are still people who are not being cared for properly and who are in sickness and in want. These are the challenges of the 20th century and of the 20th century nation state.

I think the realities are just as stark for the nation state as they are for civilization. With the knowledge we have in this world of science and technology, with our ability to send a man around the world in space and to produce machines which can carry out production for us, we have the opportunity of making a nation worthy of all our hopes while on the other hand our technology and our machines can bring tremendous unhappiness. This is the challenge. I suggest to you, Mr. Speaker, that the amendment to the amendment which we in the New Democratic party have proposed can give in the national government the planning and the policies which can bring about the affluence and progress which all Canadians desire.

Mr. R. M. T. McDonald (Hamilton South): Mr. Speaker, I have only two minutes before the vote takes place. However, I should like to comment for a moment on the remarks made by the hon. member for Peterborough (Mr. Pitman). May I say that I have never heard a more negative approach to sound policies which he has distorted for the past 40 minutes. It seems that the C.C.F.-New Democratic party is full of political theorists without solutions. They want to redirect social and private capital. I ask them how they intend to do that. Do they intend to nationalize the steel industry, the trust companies and the insurance companies? How do they intend to rectify their position with regard to the redirection of this capital? I am sorry that I have not more time at my disposal, Mr. Speaker. I should like to comment on only one thing as far as the Liberals are concerned. I have in my hand a quotation taken from the Ottawa *Journal* and it reads as follows:

> It is no empty boast of the government party that in most areas under federal jurisdiction they have done more in four years than the Liberals did in 22.

Mr. Speaker: Order. It being 8.15 o'clock p.m. it is my duty, pursuant to section 4(d) of standing order 56, to interrupt these proceedings and put forthwith the question on any amendment now before the house.

The question is on the amendment to the amendment.

Division

The house divided on the amendment to the amendment (Mr. Herridge) which was negatived on the following division:

YEAS

Messrs.

Fisher	Peters
Herridge	Pitman
Howard	Regier
Martin (Timmins)	Winch—8.

NAYS

Messrs.

Aiken	Halpenny
Aitken, Miss	Hamilton (Notre Dame de Grace)
Allard	Harkness
Balcer	Hellyer
Baldwin	Henderson
Barrington	Hicks
Bell (Carleton)	Hodgson
Bell (Saint John-Albert)	Horner (Acadia)
Belzile	Horner (Jasper-Edson)
Benidickson	Horner (The Battlefords)
Bigg	Howe
Boivin	Johnson
Boulanger	Jones
Bourbonnais	Jung
Bourget	Keays
Brassard (Chicoutimi)	Kennedy
Brassard (Lapointe)	Knowles
Browne (St. John's West)	Korchinski
Cadieu	Kucherepa
Campbell (Lambton-Kent)	Lahaye
Campbell (Stormont)	Lambert
Cardiff	LaRue
Caron	Latour
Carter	Leduc
Casselman, Mrs.	Lennard
Cathers	Lessard
Chambers	Letourneau
Charlton	Loiselle
Chatterton	Macdonald, Mrs.
Churchill	MacEwan
Clancy	MacLean (Queens)
Clermont	MacLean (Winnipeg North Centre)
Coates	MacRae
Cooper	McBain
Creaghan	McCleave
Crestohl	McDonald (Hamilton South)
Crouse	McFarlane
Denis	McGee
Deschambault	McGrath
Diefenbaker	McGregor
Dinsdale	McIlraith
Dorion	McIntosh
Drouin	McLennan
Drysdale	McMillan
Dubois	McPhillips
Dumas	McQuillan
English	Mandziuk
Eudes	Martin (Essex East)
Fairclough, Mrs.	Martini
Fairfield	Matheson
Fane	Matthews
Fleming (Eglinton)	Meunier
Flemming (Royal)	Montgomery
Flynn	More
Forgie	Morissette
Frechette	Morris
Fulton	Morton
Garland	Muir (Lisgar)
Godin	Nasserden
Grafftey	Nesbitt
Green	
Hales	

Division

Nielsen
Nixon
Nowlan
Nugent
O'Hurley
Pallett
Parizeau
Pascoe
Paul
Pickersgill
Pigeon
Pugh
Rapp
Regnier
Ricard
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Robichaud
Robinson
Rowe
Sevigny
Slogan
Small
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Spencer
Starr
Stefanson
Tardif
Taylor
Thrasher
Tremblay
Tucker
Valade
Walker
Webster
Weichel
White
Winkler
Wratten—164.

Mr. Speaker: I declare the amendment to the amendment lost. The question is now on the amendment to the main motion. Those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the amendment (Miss LaMarsh) which was negatived on the following division:

YEAS

Messrs.

Benidickson
Boivin
Boulanger
Bourget
Brassard (Lapointe)
Caron
Carter
Clermont
Crestohl
Denis
Dumas
Eudes
Fisher
Forgie
Garland
Godin
Hellyer
Herridge
Howard
Leduc
Lessard
Loiselle
McIlraith
McMillan
Martin (Essex East)
Martin (Timmins)
Matheson
Meunier
Nixon
Peters
Pickersgill
Pitman
Regier
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Robichaud
Tardif
Tucker
Winch—39.

NAYS

Messrs.

Aiken
Aitken, Miss
Allard
Balcer
Baldwin
Barrington
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bigg
Bourbonnais
Brassard (Chicoutimi)
Browne (St. John's West)
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Cardiff
Casselman, Mrs.
Cathers
Chambers
Charlton
Chatterton
Churchill
Clancy
Coates
Cooper
Creaghan
Crouse
Deschambault
Diefenbaker
Dinsdale
Dorion
Drouin
Drysdale
Dubois
English
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Flemming (Royal)
Flynn
Frechette
Fulton
Grafftey
Green
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Harkness
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Johnson
Jones
Jung
Keays
Kennedy
Knowles
Korchinski
Kucherepa
Lahaye
Lambert
LaRue
Latour
Lennard
Letourneau
Macdonald, Mrs.
MacEwan
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacRae
McBain
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McGrath
McGregor
McIntosh
McLennan
McPhillips
McQuillan
Mandziuk
Martini
Matthews
Montgomery
More
Morissette
Morris
Morton
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Nowlan
Nugent
O'Hurley
Pallett
Parizeau
Pascoe
Paul
Pigeon
Pugh
Rapp
Regnier
Ricard
Robinson
Rowe
Sevigny
Slogan
Small
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Spencer
Starr
Stefanson
Taylor
Thrasher
Tremblay
Valade
Walker
Webster
Weichel
White
Winkler
Wratten—133.

Mr. Speaker: I declare the amendment lost. The question is now on the main motion.

IMMIGRATION—ALLEGED ABUSE OF REGULATORY AUTHORITY

Mr. L. D. Crestohl (Cartier): Mr. Speaker, I rise to discuss a grievance. My grievance is provoked by a procedure that was followed by a minister in this house which I consider is an invasion of the rights of parliament and an abuse of authority which reflects

on the very basis of our method of enacting laws in this House of Commons. I refer to the statement on immigration made to the house by the Minister of Citizenship and Immigration (Mrs. Fairclough) shortly after this house opened, the effect of which is to make new immigration laws which the elected representatives of the people have had no opportunity to debate.

I find no precedent for a government dealing so evasively with such a serious matter when a different course had been promised, not only to parliament but indeed to the people of Canada. The production of a new set of immigration regulations instead of a revision of the Immigration Act is, I consider, an affront to the rights of parliament, to the press of Canada and indeed to the people of the entire country. It is nothing more in my judgment, than an attempt to divert the country's attention, and a poor demonstration of a lack of courage to face an issue. It is a move, a clumsy move at that, to block a parliamentary debate on the immigration laws of this country.

The chronological history of events of this whole manoeuvre shows that this government and the minister on at least nine different occasions clearly stated a promise to revise the Immigration Act. Not once was anything said about revising or altering the regulations themselves. I should like to refer to only two brief quotations in this regard. One appeared in the Ottawa *Citizen* of August 11, 1961 and is as follows:

> Canada's new blueprint for immigration, four years in preparation, will make its debut in parliament next month.
>
> A government spokesman said Thursday it is "absolutely sure" that the new Immigration Act will go before the Commons shortly after it reconvenes September 7. It had been forecast in the speech from the throne that opened parliament in November, 1960.
>
> The document has been promised by the Conservatives since before they came to power in June, 1957 but delay after delay has kept it from being introduced.

The second quotation is from the Toronto *Globe and Mail* of November 2, 1961, and is as follows:

> The final draft of Canada's revised Immigration Act, in the government's oven for many months, is now being considered by the cabinet. Full approval is expected soon and the revised act should be before parliament at the next session. Completion of the final draft marks the end of months of discussion and argument within the cabinet and the Department of Citizenship and Immigration. Revisions to the act were forecast in the speech from the throne a year ago, but they were not forthcoming.

The Prime Minister has himself on a number of occasions promised that the act would be revised. I want to put on the record one of these direct statements. I quote from the Toronto *Star* of May 15, 1961, which quotes from the Prime Minister's speech at Massey hall in April, 1957. This is the brief quotation:

> "We will overhaul the act's administration to ensure that humanity will be considered and put an end to the bureaucratic interpretations which keep out from Canada many potentially good citizens", said Mr. Diefenbaker, at Massey Hall in April, 1957—

The minister herself very definitely told the house that she would make available a draft of her new legislation to interested groups before it was formally presented to parliament. I quote her own words:

> I do not want to bring in a half-baked piece of legislation which will not stand the test of time.

Mr. Speaker: Order. Would the hon. member permit me to interrupt him. I have been waiting, expecting that hon. members would settle down. There has been ample time. I trust that they will moderate their conversations so that the hon. member who has the floor can have the usual courteous hearing.

Mr. McGee: On a point of order, before the hon. member resumes; surely in recent years there has never been a more flagrant example of an hon. member reading each and every word of his speech, which has obviously been written by the hon. member for Bonavista-Twillingate.

Some hon. Members: Oh, oh.

Mr. Speaker: I will hear the hon. member on the point of order.

Mr. Crestohl: Mr. Speaker, I certainly am not reading the speech.

Some hon. Members: Oh, oh.

Mr. Crestohl: If hon. members would like to look at my notes, they may. I am going to discuss a question of procedure which touches the very basis of our system of legislation, and that is the conflict—

Mr. Campbell (Stormont): Is that the point of order you are discussing?

Mr. Crestohl: Yes. It is interesting to hear these intellectual giants interrupting. It is very interesting to observe that their intellectual interruptions are somewhat exaggerated when you attempt to cram them into a pygmy peanut shell.

An hon. Member: Careful; it is all going down in *Hansard*.

Mr. Speaker: Order. I think the point of order which has been taken has become a novel one, having regard to the amount of similar delivery of speeches that went on in the debate on the speech from the throne. I am sure the hon. member who has the floor will follow the customary practice of the house.

Alleged Abuse of Immigration Regulations

Mr. Pickersgill: Before he does, perhaps I might be permitted, in view of the very—

An hon. Member: Here comes the specialist.

Mr. Speaker: Order.

Mr. Pickersgill: In view of the very flattering insinuation, or direct statement, perhaps I should say, of the hon. member for York-Scarborough that he flatters me too much.

Mr. Crestohl: Mr. Speaker, when I am reading quotations—and I have read several—I cannot memorize them, and I did not memorize them. If the hon. member who is so fluent in his speech deliveries, who never refers to notes and who is the one—

Mr. Speaker: Order. I suggest the hon. member proceed with his address.

Mr. Crestohl: After all these promises, after all the manoeuvring engaged in, after all the tactics to which the minister resorted, after protesting that she was hesitant about bringing in a half-baked measure, what did the house finally get? What did the hon. lady finally bring in? I suggest she did not bring in even a half-baked measure. She brought in no measure at all. Apparently she had a frightful time with her oven. It is obvious to me and certainly it is abundantly clear to the country that the minister had no fire under the oven in which her measure was to have been baked.

Some hon. Members: Oh, oh.

Mr. Crestohl: It is interesting to observe who is laughing.

An hon. Member: Look around you.

Mr. Crestohl: Hon. members opposite do not realize—

Mr. Peters: Most of the laughter comes from representatives of Toronto ridings.

Mr. Speaker: Order. I am sorry to interrupt again but if hon. members wish to interrupt they should remind themselves that they should rise uncovered and only one may interrupt at a time. I hope I shall not have to remind hon. members again.

Mr. Campbell (Stormont): Mr. Speaker, on a point of order. Are salacious comments allowed in this house?

Mr. Speaker: I am sorry but I did not hear the hon. member's point of order.

Mr. Campbell (Stormont): I asked whether salacious comments are allowed in this house. It occurs to me they are out of order.

Mr. Crestohl: May I point out that perhaps these interruptions represent an attempt to deprive me of some of the time at my disposal to discuss a matter which I consider to be of considerable importance. If these facts hurt hon. members of the government, I can appreciate why they would interrupt. As a matter of fact when hon. gentlemen opposite interrupt I am confident that my remarks are hitting home and making them feel uncomfortable.

I submit that the minister did not bring a half-baked measure before the house: I think it is a completely raw measure. It represents a raw deal not only to the house but to the country.

The minister did not introduce the piece of legislation promised by herself and the Prime Minister. She brought forward immigration laws which were not passed by parliament. These are purely and simply immigration laws passed by the cabinet. The representatives of the people have not had an opportunity to express an opinion on those laws, those regulations which are now considered to be the laws of this country. She failed to submit those regulations to interested groups as she promised she would. But, of course, that was only another promise. What is one broken promise more or less to members of the government?

I point out that this is legislation by ministerial regulations. If you care to think back in history, that is the way dictators operated. That is the way this government is operating. That is not a good method to be followed by the government of any country, particularly a democratic country. There is nothing more undemocratic than to make laws by ministerial regulation without giving the elected representatives of the people an opportunity of discussing them. A frightful danger of delegating authority is that it can lead to the making of laws under the guise of regulations.

On a previous occasion I complained as I complain now that the authority given in a parliamentary statute to make regulations has unfortunately degenerated to the point where officials and bureaucrats are carrying things a little too far.

Mr. Pallett: Would the hon. gentleman permit a question? Would he inform the house when the power to pass these regulations was included in the act? Was this not done under a Liberal administration?

Mr. Crestohl: I could not tell the hon. gentleman when it was done.

Some hon. Members: Oh, oh.

Mr. Crestohl: Just a moment. When an hon. member asks a question I expect that he and those who support his party will have the patience and courtesy to listen to the reply. I do not know when it was done. I am not

attempting to conceal when it was done. Regardless of when it was done, that does not make it right, unless hon. members opposite are prepared now to make the statement that everything the Liberal administration did was right. If they make that statement, then I would go along with it; but I do not take the position that if it was done by a Liberal government it is necessarily right.

I am raising a grievance. The system of delegating the authority to make regulations under the statutes is a good thing. Regulations have to be made for administrative purposes. But an abuse occurs when that authority is converted into the making of laws.

I have no quarrel with any statute that gives authority to a minister or commission to make regulations. That is the language of the statutes. The making of regulations is appropriate, proper and necessary for various branches of government. But an abuse takes place when laws are enacted under the guise of regulations. That is going too far.

Lord Hewart, a chief justice of England, has written and spoken extensively on this form of making laws by bureaucratic operation. Hon. members will recall the quotation from the Prime Minister's speech at Massey hall in which he said he would stop this form of bureaucratic law making. I have merely paraphrased his comment. He made reference to "bureaucratic" practices.

Lord Hewart calls this form of law making by bureaucratic operation the "new despotism". I sincerely commend Lord Hewart's book to all members of the house. His Lordship points out that the authority given to statutory bodies and government departments to make laws by regulation places government departments above and beyond the sovereignty of parliament itself, and frequently even beyond the jurisdiction of the courts.

What do we see? This delegation of authority is very dangerous. The Prime Minister himself has recognized the danger. On one occasion he spoke about appointing a committee or commission to review all our statutes and the attendant regulations enacted thereunder and determine whether the regulations were abusive and inconsistent with the bill of rights, an infringement on the rights and duties of parliament itself. That is a statement which the Prime Minister made or one to that effect. It was quite a proper statement and one becoming a prime minister, especially at a time when we were discussing the bill of rights. Unfortunately, however, no such commission has been appointed or set up. I simply say that was perhaps just another promise which the Prime Minister made and which I still hope he will fulfil. I consider the matter to be an extremely important one which is basic to our whole system of government and to our system of making laws, namely that there should be no such abuse by statutory bodies making laws instead of regulations.

As I said, if such a commission is ever formed, I feel that the greatest offender will be found to have been the regulations made under the Immigration Act. On another occasion I will point out many basic errors, contradictions and inconsistencies in the regulations themselves and even, to a large extent, their complete futility. What the minister has so far done by her surprising and astounding performance is to lead the house, the press, the country and future immigrants down the proverbial garden path. Under the guise of regulations she virtually shoved down the throat of parliament without debate, as a *fait accompli*, a new set of immigration laws. She promised a revision of the act, but that was only another promise.

I should like to point out that a revision of the act would make possible debate, study by a committee, submissions by interested parties, analysis, discussion and amendments so that in the final analysis, out of all this consideration which is generally given to a piece of legislation in this house could come a better measure. I should like to feel that had these regulations which the minister brought into the house been given to a committee and to the house for debate, whoever it was who fashioned those regulations might have received enough suggestions, good or bad, to produce—to use the minister's language—a better seasoned measure or a better seasoned product, in her desire to produce for the country something that was good, properly cooked and digestible.

I feel that this whole operation over the past four years by the government and by the minister, this build-up of a promise to revise—"Later", "not quite ready", "I want to have the bill ready and distributed to interested parties to study"—was nothing but a hoax. All that did not happen. Nothing like that was done. The entire build-up to me has the air of a huge hoax on the country and on parliament. I say that is a genuine grievance. I feel that it is the result of a studied plan by the minister and by the government to string the country along and then to come and throw into the records a set of immigration laws in the guise of immigration regulations. I say that Canadians do not like to be treated in that way. I say that Canadians will resent being treated in that way. If the government, the Prime Minister and the Minister of Citizenship and Immigration had

the courage to make this promise that they would revise the act, they should have gone along with the revision properly and should not have slipped into the records in this devious or indirect way a series of immigration laws. I repeat that Canadians do not like to be treated in that way. They resent such treatment and they will show their resentment at the first opportunity given to them.

Mr. Murray Smith (Winnipeg North): Mr. Speaker, I am pleased to speak on the grievance that is before the house at this moment, particularly as I represent a constituency composed of a great many people who have recently come to Canada. I know they would wish me to say on their behalf how much they disagree with the words which have just been uttered by the hon. member of the Liberal party. He said the Conservatives promised to revise the Immigration Act.

Mr. Crestohl: Did they not do so?

Mr. Pickersgill: Of course they did so.

Mr. Smith (Winnipeg North): I am not concerned with that matter. I am concerned, as are the people who wanted to come to Canada, with the previous 22 years when revision of the act was wanted by these people who could not get into Canada then but who got into Canada under a Conservative government.

I am also concerned, Mr. Speaker, with the plaque that is hanging on the walls of this parliament building. Perhaps the hon. member has not seen it. Perhaps he will go and look at it some day. It is a plaque which was donated to the government of this country, the first one to accept tubercular refugees under the United Nations program. Has the hon. member seen it? I will show him where it is in the morning, Mr. Speaker.

It is wonderful to hear these people in the opposition talking about the immigration regulations and laws of this country. What do they know about the immigrants who have come to this country?

Mr. Pickersgill: They practically all came here when the Liberal government was in power.

Mr. Smith (Winnipeg North): Certainly they did.

Mr. Pickersgill: Just look at the statistics.

Mr. Smith (Winnipeg North): They came when there was in power a government which had a policy of Canadian babies first, and the hon. member for Bonavista-Twillingate (Mr. Pickersgill) can substantiate that statement: Canadian babies first.

[Mr. Crestohl.]

Mr. Pickersgill: We let the immigrants in. You have kept them out.

An hon. Member: Obviously he was the youngest one in his family.

Mr. Smith (Winnipeg North): It is quite obvious that the hon. member for Bonavista-Twillingate might have been writing speeches in the last few days. He might have written this one. I do not know. However, I and the new Canadians in my constituency know of the policy under the previous government. I will point out two facts. This Conservative government was the first government of this country to recognize the refugee problem.

Mr. Pickersgill: That statement is not correct.

Some hon. Members: Oh, oh.

Mr. Pickersgill: It is not correct.

Mr. Pallett: The hon. member for Bonavista-Twillingate can make his own speech.

Mr. Pickersgill: Who admitted the Hungarians?

Mr. Smith (Winnipeg North): My hon. friend can talk about the Hungarians on his own time. However, I think that also happened after 1957.

Mr. Martin (Essex East): No. The hon. member for Bonavista-Twillingate was the minister.

Mr. Smith (Winnipeg North): The hon. member for Bonavista-Twillingate was also the advocate of Canadian babies first.

Mr. Speaker: Order. Will the hon. member resume his seat for one minute? If objection is taken to what is being said, there will be an opportunity to make a correction or explanation.

Mr. Pickersgill: I apologize to the hon. gentleman, sir.

Mr. Pallett: And to the house as a whole.

Mr. Smith (Winnipeg North): Mr. Speaker, I should like to tell the house that in my constituency I have a great many people who have recently come to Canada. They came here under various circumstances. Some of them came here under the refugee program instituted by this government with respect to people with tuberculosis in the refugee camps. They came here because they believe in democracy, because they believe in our way of life. They did not come here because of the policies put forward by our predecessors in office. They wanted an opportunity to be equal; they did not want to be considered inferior.

Mr. Fisher: On a point of order, Mr. Speaker—

Mr. Speaker: Order. The hon. member for Port Arthur is rising on a point of order.

Mr. Fisher: It seemed to me that the grievance of the hon. member for Cartier related to the introduction of regulations to change immigration policy. There are a number of us who wish to speak on this matter, and I would put it to you, sir, that the hon. member who is speaking has not been directing his remarks to the specific grievance.

Mr. Speaker: Perhaps I should hear the hon. member who has the floor on the point of order.

Mr. Smith (Winnipeg North): Mr. Speaker, in my view the grievance that was introduced covered a wide field. I do not think it was necessarily confined to immigration regulations but rather covered the whole field of immigration into Canada. I think there were statements made by the member who raised the grievance that had nothing to do with the regulations at all. I will await your ruling.

Mr. McGee: On the point of order, Mr. Speaker, at least at one point in the remarks of the hon. member for Cartier it was clear that he was directing his criticism at the activities of the former minister of citizenship and immigration, the hon. member for Bonavista-Twillingate, particularly when he was referring to the principle of incorporating regulations as part of a statute. Unless I greatly misunderstood the hon. member, that was his point. As the hon. member for Bonavista-Twillingate was responsible as the former minister of citizenship and immigration for such regulations being imposed, my impression was that at least part of the criticism of the hon. member for Cartier was directed at the hon. member for Bonavista-Twillingate.

Mr. Crestohl: On the point of order, Mr. Chairman—

Mr. Speaker: Order. It is not necessary to hear the hon. member. Having followed the hon. member for Cartier through his entire speech, I understood him to say that he was not attempting to deal with the content of the law but that his grievance related to the method of introducing immigration law by regulation rather than by statute, and I think that the comments of other members should be limited to the grievance as it was initiated.

Mr. Smith (Winnipeg North): Mr. Speaker, I will conclude by saying that in my estimation and that of a great many members of this house the official opposition is not in favour of the change in the regulations. They want to restrict immigration into Canada as it was restricted under the former government. We all know that was detrimental to those people who wanted to come to this country, to live in a democracy under a government freely and democratically chosen.

Mr. Pickersgill: Mr. Speaker, I should like to exercise the right that you accorded to me to make a factual correction in the statement made by the hon. gentleman. The hon. member stated that this government was the first government that had paid any attention to the refugee problem or had admitted refugees. That statement is completely and utterly incorrect. In the years before the war the government of Mr. Mackenzie King undertook to admit refugees. After the war there was a very large refugee program and, as the hon. member has said, I was brought into this personally.

Mr. Jones: May I speak to the point of order?

Mr. Speaker: The hon. member can raise a point of order. I was just about to say myself that the hon. member is entitled to make an explanation where he has been misinterpreted, but I think he has probably gone a bit beyond that when he endeavours to correct a factual error in the speech unless it is an interpretation that relates to the member concerned.

Mr. Pickersgill: It does, sir.

Mr. Jones: On a point of order—

Mr. Speaker: Order. I see the hon. member for Saskatoon.

Mr. Jones: On a point of order—

Mr. Pickersgill: There is no point of order.

Mr. Jones: —the hon. member for Winnipeg North clearly related his remarks to the refugee problem in relation to tuberculosis. Everybody knows that refugees have come to this country under every government.

Mr. Speaker: The hon. member raises as a point of order another controversial issue of fact. I trust the hon. member for Bonavista-Twillingate has made his explanation.

Mr. Pickersgill: No, I have not, sir. That was the precise point I was coming to when Your Honour interrupted me. I was going to say that at the time the government in which I was a minister decided to admit the Hungarian refugees we admitted those with tuberculosis as well as those without.

Mr. Flynn: It is a question of fact.

Mr. Pickersgill: It is a question of fact and the facts are well known.

Alleged Abuse of Immigration Regulations

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, as a member of the house who over the years has had to deal with a vast number of immigration cases and in whose riding are thousands of new citizens I am particularly interested in the grievances raised by the hon. member for Cartier (Mr. Crestohl). That grievance has to do with important changes in immigration policy being brought in by regulation and not through the medium of legislation.

The hon. member for Cartier pointed out that in his view a great number of Canadians were and are very much disturbed by this situation and the procedure followed, and I believe he is correct in that statement. In my opinion the matter was very properly put by Michael Barkway in an article in the Ottawa *Citizen* of February 5. Because his words are concise and go to the root of the grievance I should like to quote a few sentences. He said in part:

> The greatest change in immigration policy since Mackenzie King announced the resumption of immigration in 1947 has gone into effect without approval or even debate in parliament. The essence of it is to give immigration officials greater responsibility and more individual discretion than they have ever had before—
>
> The reason why such a fundamental change of policy could be made without parliament's approval is that the real control over immigration has always been at the cabinet's discretion. The Immigration Act in practice leaves the government free to do almost anything it wants.

In those words I think we have the crux of the situation, and the correctness of that view was very definitely expressed in the words of the Minister of Citizenship and Immigration when she made a statement on January 19 of this year. In opening her statement on the change in immigration policy by regulation the minister put the matter in these words:

> The new regulations are in two parts, the first of which has been formally approved by the governor in council as P.C. 1962-86 of January 18, 1962, while the second part requires only the approval of the minister under section 62 of the Immigration Act. These new regulations consolidate, revise and replace the various regulations passed in previous years, including those issued under previous ministerial authority.

Now, Mr. Speaker, I should like particularly to draw the attention of the house to the next sentence in the minister's statement.

> Part I of the new regulations deals with such important questions as visa requirements, admissible classes, the responsibility of transportation companies and most of the major administrative and policy matters dealt with in the present regulations.

So, Mr. Speaker, I think it is a fair assumption to make from the words of the minister, uttered on January 19, that by regulation and by regulation only, will the major administrative and policy matters in relation to immigration be decided. These matters will not be decided by the people of Canada through their representatives in parliament, but will be decided by the minister in charge at the time or by the cabinet. I say, sir, that the hon. member for Cartier has a rightful grievance because the particular principle involved here is whether we, in this country, in matters of such importance as immigration, will be governed by legislation or by regulation. In other words, is the major policy going to be laid down by order in council or by legislation enacted by the representatives of the people? Are we going to have policy and administration by order in council?

This is a subject, sir, upon which a great deal has been said in the past, but apparently it has to be said again. The meaning of democracy is rule by parliament so far as is humanly possible, not rule by order in council. We heard from the member for Cartier and the speaker who followed something of what the present administration has done through regulation, and something of what the previous administration did or did not do. One reason we have this situation is rule by order in council in the field of policy rather than through legislation. Perhaps, sir, I could just give one example that comes to my mind because the hon. member for Bonavista-Twillingate mentioned the refugees. I seem to remember some rather big headlines this hon. member got when he occupied the position of minister of citizenship and immigration at the time of the Palestinian refugee problem. The former minister, on behalf of Canada said, because Canada was interested in these one million Palestinian refugees, that Canada would be glad to make a contribution by having some of these people. However, he laid down two regulations they had to meet. They had to be able to speak either English or French and they had to have a skill. Although the principle was sound, to the best of my knowledge there were not any of these refugees who came to Canada, because they could not meet the regulations. This was one regulation that was laid down.

When the minister made her statement on January 19 she referred to the order in council of January 18 establishing the new regulations. If you examine them carefully, Mr. Speaker, I do not believe you will find very much difference compared with the previous regulations as to who may come in, how they may come in and the basis upon which they may come in. We have gone too far by regulation instead of legislation, and it is now beyond the power of the administration to handle appeal matters and correct grave injustices. It is as a result of this that

we have run into all these complaints, all of these disputes, all of these unhappy things that have developed in Canada and which have been discussed outside of Canada.

I feel, sir, it is because of this attitude of cabinet or ministerial control on such important matters that we have had situations such as the disgraceful manner in which the Chinese problem was handled when we asked that group to be stool pigeons—

Mr. Speaker: Order; the hon. member is now going beyond the scope of the subject under discussion.

Mr. Winch: I understood that was done by regulation.

Mr. Speaker: The hon. member is not free to discuss everything that has been done by regulation. It is a very simple and neat point, namely that this change in the law was brought about by regulation rather than by statute.

Mr. Winch: Of course, I always bow to your views in matters of this nature, Mr. Speaker. I come back to whether or not it is proper to establish by regulation what should be the will of the people with regard to immigration policy. We in this group feel very strongly that when it comes to matters of policy, whether it is immigration or anything else, that is something which, in the ultimate, should be the subject of legislation and not regulation. This is particularly true when we consider that for months, even years, we were told there were going to be changes in the Immigration Act itself. We were told for years that not only the regulations but the legislation were under review.

All of us, sir, were definitely of the opinion that there were going to be major changes made by the present Minister of Citizenship and Immigration, but by legislation. It is understandable, therefore, that we in the house, and the people of Canada as a whole, fail to understand this important announcement of January 19 conveying information about new laws in connection with immigration. These matters were not going to be referred to parliament, because they had already been decided on the previous day by the cabinet. The new law had been enacted by order in council. I suppose, sir, we should have been most happy at the courtesy and kindness of the government in informing us the day after of the action which they had taken. I say there is a very important principle involved here, and that is rule by law or rule by regulation; rule by the people's will by legislation or rule by order in council.

This is a matter upon which one could speak for a long time. However, I am aware of the fact the minister desires to make a contribution to this debate, and it is only right and just that I should leave some time available for her. I think I have made the point clear so far as this group is concerned. We believe in parliamentary democracy and not cabinet dictatorship.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, in replying to the previous three speakers, may I first of all say a word with regard to refugees. I do not believe that either this government or the previous government can lay claim to being superior to each other in the matter of the treatment of refugees. Canada has an excellent record in this field, quite the best of any country in the world.

Mr. Pickersgill: Hear, hear.

Mrs. Fairclough: I, as the present minister, am very proud of it, and I am sure the hon. member for Bonavista-Twillingate (Mr. Pickersgill) is proud of it as the previous minister. When I occasionally see articles referring to the remarkable record of other countries in the alleviation of distress among refugees I am sometimes forced to smile at the naïveté of the persons who write these articles and who speak on the subject from public platforms when in actual fact they haven't a clue what they are talking about.

Canada has taken in a great many refugees on a great many occasions. I was in this house at the time the former minister made his announcement with respect to Hungarian refugees, and I know he will agree with me that there was not a dissenting voice here.

Mr. Pickersgill: That is right.

Mrs. Fairclough: We supported the proposal to bring these unfortunate people to Canada and to do what we could to rehabilitate them. I may say that their record here has been an excellent one. I am also personally proud of the record that has been established by the tubercular refugees who came to Canada. I am proud of the part that the various provinces took in caring for these people, in cooperating with the federal authorities in seeing that they should have proper treatment and that their families could be cared for until the breadwinner, if it were he, or the person who was afflicted, was able once more to take his or her place within the family circle.

Having said that I should like to make a few remarks with regard to the allegations—if I may call them that—which have been made by the hon. member for Cartier (Mr. Crestohl). I was intrigued by his introduction of the subject, wherein he talked about the various promises that had been made, and then quoted from two newspapers. If I can

read my shorthand notes—I used to write shorthand but I am afraid I am a little rusty—the first article he read I believe referred to a quotation from the Ottawa *Citizen*. The second article, without identifying any person, did not go so far as to say that information had been gained from any official government source, but just speculated there would shortly be forthcoming a revised act.

I believe I made it clear during the last few months that what would be brought forward would probably not be a new act because we ran into difficulties in attempting to revise the act. As the hon. member for Bonavista-Twillingate (Mr. Pickersgill) can appreciate, it is much easier to be more restrictive in drawing legislation than it is to be more flexible, and that was partially the problem which confronted us. Anyway, the hon. member for Cartier said I had intended to wait until I could bring in not just a piece of legislation, not just a half-baked piece of legislation. That is quite correct and that is still my intention. I might say he would have been better advised to follow the same example in his speech.

Mr. Churchill: Hear, hear.

Mrs. Fairclough: It is not a new thing to bring in regulations affecting the administration of any piece of legislation. Most pieces of legislation which come before us provide for regulations to be drawn which will ease the administrative problem and spell out the procedures which are to be adopted in handling that particular piece of legislation. So, Mr. Speaker, I am a little surprised that the hon. member should criticize the actions of his own colleagues when they were on this side of the house, because under the Immigration Act, which was their baby—I do not know if that is the proper word to use—I find that in Part VII, section 61, the governor in council is authorized to make regulations for carrying into effect "the purposes and provisions of this act and, without restricting the generality of the foregoing may make regulations" respecting several different matters, including persons who require assistance to come to Canada, literacy and other tests, passports and the terms, conditions and requirements with respect thereto. Regulations may also be drawn regarding non-continuous journeys of passengers brought to this country by certain companies, and nationals of a country that refuses to re-admit them. Then there is one I should like to read in full. It is subclause (g) of section 61 which reads:

> The prohibiting of limiting of admission of persons by reason of:
>
> (i) nationality, citizenship, ethnic group, occupation, class or geographical area of origin,
>
> (ii) peculiar customs, habits, modes of life or methods of holding property,
>
> [Mrs. Fairclough.]
>
> (iii) unsuitability having regard to the climatic, economic, social, industrial, educational, labour, health, or other conditions or requirements existing, temporarily or otherwise, in Canada or in the area or country from or through which such persons come to Canada or
>
> (iv) probable inability to become readily assimilated or to assume the duties and responsibilities of Canadian citizenship within a reasonable time after their admission.

Then section 62 of the same act says:

> The Minister may make regulations, not inconsistent with this act, respecting the procedure to be followed upon examinations, inquiries and appeals under this act and the duties and obligations of immigration officers and the methods and procedure for carrying out such duties and obligations whether in Canada or elsewhere.

All those things were spelled out in the act. This authority was given to the governor in council and now the hon. member for Cartier says this is all wrong. It was apparently all right for the former government to make regulations under this legislation but is all wrong for this government to make regulations under it. Since when, I ask you?

Mr. Crestohl: May I ask the hon. minister a question?

An hon. Member: Sit down.

Mrs. Fairclough: I have only a few minutes and I would prefer to finish.

I might ask the question: since when did a Liberal government submit regulations for any legislation to parliament for debate? I cannot recall regulations being submitted to parliament for debate either under this or any other legislation. The regulations are made according to the authority given to the governor in council under the required legislation, and under the governor in council the government of the day takes responsibility for drawing up those regulations and presenting them to parliament.

Mr. Pickersgill: But the Prime Minister promised to change all that.

An hon. Member: Another interruption.

Mrs. Fairclough: As a matter of fact I am sure that hon. members of the house will realize, as I have, that apparently both opposition parties were well aware that this subject was to be raised. I was not myself, of course, and therefore, Mr. Speaker, I must speak more or less from the few notes I have been able to make while listening to this criticism.

Mr. Churchill: Your speech is better than his.

Mrs. Fairclough: But if my memory serves me well, the former government declared in a speech from the throne in 1951 that it

would revise the Immigration Act. Nothing was done. Again, in 1952 they repeated this intention—

Mr. Pickersgill: It was revised.

Mrs. Fairclough: —and that year they finally did bring in a revised act; but that act, although passed, was not proclaimed.

Mr. Pickersgill: What?

Mrs. Fairclough: The following year nothing was said about it, but it eventually was proclaimed and became law, I think late in 1953; again, if my memory serves me well, it was September. That act was brought in. It is true that it was presented to this house for consideration; but when was it presented? It was presented in the dying days of a session and crammed through this house, with little or no time provided to give proper consideration to an extensive act which contained some 74 clauses. Now criticism is being levelled at a government which is attempting in an orderly fashion to bring in legislation affecting people who desire to enter Canada, and affecting their relatives and friends who are in this country.

Mr. Pickersgill: Nothing done in four and a half years.

Mr. Pallett: Tell us about 1919 and hospital insurance.

Mr. Pickersgill: That is the record.

Mrs. Fairclough: Mr. Speaker—

Mr. Speaker: Order. The minister has the floor.

Mrs. Fairclough: Mr. Speaker, these interruptions do not bother me at all; in fact, I find them rather amusing. I do not wonder that hon. members in the opposition benches become a little irked at their ineffectual criticism of legislation brought down by this government, because they cannot help but think back to those long years of inactivity when they sat on this side of the house; and now, of course, every month seems like a year to them.

Some hon. Members: Oh, oh.

Mr. Pickersgill: And to the public.

Mrs. Fairclough: It was said by the hon. member for Cartier that the people of this country had been led up the garden path. I believe those were the words he used. Mr. Speaker, contrary to his belief, the suggestions which came to my desk from many bodies were carefully considered in the drafting of these regulations. These suggestions came from church groups, religious groups, social service bodies, immigrant aid societies and from some of the hon. member's own close friends. He does not like the regulations. I wonder why, because some of his colleagues outside this house like them. I have had letters to that effect—quite a number of them. I suggest the reason the hon. member does not like them is because they please people too well.

I have no intention of allowing myself to be stampeded into bringing in legislation prematurely, regardless of the howls from the opposition benches. They can shout their heads off from now till doomsday, I will bring in my legislation when I am ready to bring it in.

Some hon. Members: Hear, hear.

Mrs. Fairclough: I might say this. I have been the minister of this department now for something less than four years and I have been engaged in the study of a revision of this act for something approaching two years. I have received representations from various groups. Those representations were not that this government should hurry and bring in a new act, but quite the reverse: the representations from these groups were, "Go slowly. Do not be too quick in this matter. Give us a chance to talk to you about it". That we have done.

I should have liked to bring in a new act complete with regulations at one time, but it became evident very soon in our study of the act that this was probably not a wise course. Therefore we took the alternative, and we have brought in regulations, which I submit to this house are workable, flexible and will permit the entry of many persons who were heretofore denied entry to Canada.

I think it was in 1959—I hope, Mr. Speaker, that I will not be quoted on this as a statement of fact, because I am depending on my memory—that we admitted some 7,000 persons to this country by order in council because they did not qualify for entry under the old act or the old regulations. This is a rather ridiculous situation when there are so many persons who are welcome to Canada by reason of their peculiar circumstances or qualifications but who are prohibited from entry because of the legislation which is in effect. We believe that with the new regulations we have cured that situation.

I might say that it is still my intention to consult with the various bodies who are interested—those I have mentioned, the immigrant aid societies and religious groups, who have always worked closely with the department—but before doing so we believe we should give these regulations a few months to work, to see what will happen and whether there are perhaps some flaws in them which need to be corrected.

Alleged Abuse of Immigration Regulations

The hon. member for Vancouver East (Mr. Winch), who I know has been keenly interested in immigration matters and has made representations to my department on countless occasions on behalf of various persons, has said that there is too much done by regulation and not enough by legislation. Mr. Speaker, the hon. members of this house would not want everything spelled out by legislation. Half the hon. members of this house are constantly applying to my department for the exercise of ministerial discretion with regard to cases where people would not be admissible under the regulations. If we are going to tie it down so tightly that everyone is admissible through the act, then I submit that very few people will get into this country.

We wish to give these regulations a chance to work, as I have said, and I can assure the house that I intend to proceed in an orderly fashion. I hope I will have the co-operation of members of parliament in seeing that when the act is revised it meets their wishes and the wishes of the people of Canada.

Mr. Pickersgill: Before the hon. lady takes her seat—

Some hon. Members: Ten o'clock.

Mr. Pickersgill: Before the hon. lady takes her seat would she permit me to ask her a question? Is it not correct that in 1957 before the election the Prime Minister promised to revise the act and that that has not been done?

An hon. Member: It will be.

Mrs. Fairclough: Mr. Speaker, it may very well be, but I do not recall that he ever put a time limit on it; and if he followed the procedure of the Liberal administration he could do it any time within the next 22 years.

Mr. Pickersgill: He will not be here much longer.

Mr. Speaker: Order. It being ten o'clock it is my duty pursuant to section 4(f) of standing order 56 to interrupt these proceedings and forthwith put the question on the motion before the house.

Motion (Mr. Fleming, Eglinton) agreed to and the house went into committee, Mr. Martineau in the chair.

The estimates of the following departments were first taken up and entered for consideration:

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

1. Departmental administration, $1,072,000.

DEPARTMENT OF JUSTICE

1. Departmental administration including annual contribution of $200 to the conference of commissioners on uniformity of legislation in Canada and $167,500 as grants to recognized private after-care agencies as may be approved by treasury board, $1,385,000.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

1. Departmental administration, $1,916,900.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

1. Departmental administration including Canada's share of the expenses of the "resources for tomorrow" conference, $1,065,900.

DEPARTMENT OF PUBLIC WORKS

1. General administration including a grant of $2,000 to the Canadian good roads association, $11,098,000.

DEPARTMENT OF TRADE AND COMMERCE

General administration—

1. Departmental administration including fees for membership in the international organizations listed in the details of the estimates and $24,000 for grants to promote industrial design, $4,481,000.

Proceedings reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, perhaps the house leader would indicate the business for the rest of the week. I think he indicated there were to be estimates but if he could give us some indication of the order it might be helpful to hon. members.

Mr. Churchill: Tomorrow, Mr. Speaker, supplementary estimates will be taken. We will resume where we left off the other day. There is one item to be concluded in the estimates of the Department of Forestry. We will then go back to the beginning of the book of supplementary estimates and take the departments in the order in which they appear there.

After the supplementary estimates are concluded we will then take the estimates of the Department of Public Works. That will be the business, largely, for Wednesday, Thursday and Friday.

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

HOUSE OF COMMONS

Wednesday, February 28, 1962

The house met at 2.30 p.m.

PRIVILEGE

MR. CHURCHILL—EDITORIAL CHANGE IN REPORT OF DEBATES

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, I rise on a question of privilege affecting all members of the House of Commons and relating to the report of debates. If you will look at *Hansard*, page 1296, in the second column you will find that I used these words:

> Mr. Speaker, every election promise that has been made has been carried out or will be carried out in the near future.

That was followed by a remark by the hon. member for Bonavista-Twillingate—I regret he is not here today—who commended me for what I said by using the words "No one will suffer". In looking at *Hansard* now I discover that quotation marks have been placed around that expression as if it were not his own. I submit, Mr. Speaker, that this is improper —

Mr. Robichaud: We know where it comes from.

Mr. Churchill: —that this is an improper action on the part of those responsible, because I fail to understand how the *Hansard* reporters, who do such efficient work here, would be able to put quotation marks around any interjection. On looking through a large number of *Hansards* I have been unable to find any instance where an interjection has quotation marks placed around it.

The reason I draw it to your attention, sir, is this. If this practice of altering *Hansard* by a member is continued it may lead to some very peculiar instances in the future of interjections being made by members and then of recourse to the debates office to have quotation marks placed around those interjections to attribute them to some other source. I consider, sir, that this is an infringement of the rights and privileges of the House of Commons, by this alteration in *Hansard* without authority.

Hon. Paul Martin (Essex East): May I speak to the point the Minister of Veterans Affairs made. There is no proof whatever that there has been any alteration to *Hansard*. In any event the hon. member for Bonavista-Twillingate is not in his seat. He is engaged on business that pertains to his duties as a member of parliament. It certainly would be most improper to deal with this matter, in which the hon. gentleman is involved, in his absence. In any event, the minister has not made out any case whatever. He only reminded us again of the promise made by the Prime Minister.

Mr. Speaker: It is true the matter affects the hon. member who is not here. He will undoubtedly see it in *Hansard*, and if he has any comment to make about the complaint perhaps he can say so when he is next in the house. On its face it appears that the editing is not correct, in that there are quotation marks where there was no indication of a quotation.

MR. MARTIN, ESSEX EAST—OBJECTION TO HEADING IN REPORT OF DEBATES

On the orders of the day:

Hon. Paul Martin (Essex East): On a question of privilege, Mr. Speaker, may I say that on page 1297 of yesterday's *Hansard*—I think this is a real question of privilege which has some validity, as compared with the false one already raised—if Your Honour will look at the title just above the observations made by Mr. D. V. Pugh, the member for Okanagan Boundary, he will find, "Alleged lack of economic growth". That is not correct. I am sure, Mr. Speaker, you will agree that the word "alleged" is improperly used in this title, because the opposition has taken the position that there has been a stunting in Canada's economic growth.

Mr. Speaker: I was not aware that the hon. member for Okanagan Boundary was a member of the opposition.

Mr. Martin (Essex East): I am sure that Your Honour would not want that remark to be taken seriously, because the title refers not only to what the hon. member said—

Mr. Walker: No one will take you seriously.

Mr. Martin (Essex East): No more seriously than the people of Canada did my hon. friend last night in connection with a most remarkable performance. What the editor, I am sure with no bad intention, has done is to use the word "alleged" in connection with not only the speech of the hon. member for Okanagan

Boundary but the whole content of the debate. Now, the opposition has argued that there has been—

Mr. Speaker: Order. I think it is unnecessary for the hon. member to do more than draw attention to his objection. I will discuss the matter with the editor.

Hon. E. D. Fulton (Minister of Justice): On the same question of privilege, Mr. Speaker, may I draw your attention to the fact that the whole alleged complaint, properly I submit, bears that title; for the *Hansard* editor wisely inserted the same title over the text of the very speech by which the subject was introduced. I suggest to you, sir, this is clear proof, if proof were necessary, that it is an appropriate title not only to the content but to the manner in which it was raised.

Mr. Benidickson: You should not push civil servants the way you do.

(Translation):

CROWN CORPORATIONS

APPOINTMENT OF MEMBERS OF PARLIAMENT TO BOARDS OF DIRECTORS

Mr. Marcel Bourbonnais (Vaudreuil-Soulanges) moved for leave to introduce Bill No. C-72, respecting the administration of certain crown corporations.

Some hon. Members: Explain.

Mr. Bourbonnais: The purpose of this bill is to enable the government to appoint members of this house on the board of crown corporations. The House of Commons and the parliamentary committees would then be better informed on the decisions taken by the management of the crown corporations. At the same time, certain prejudices entertained by the public when some of these corporations show deficits would be removed.

(Text):

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*CONSTRUCTION TENDERS, E.M.O. HEADQUARTERS, N.S.

Question No. 160—**Mr. McWilliam:**

1. Have public tenders been called for the construction of an E.M.O. headquarters for Nova Scotia in Colchester county; and, if so, what firms tendered, and at what price?
2. Did any firm receive the contract?

Mr. O'Hurley:

1. Tenders have been called for the construction of an E.M.O. headquarters at Debert, Colchester county, Nova Scotia. The following is a list of firms which tendered, and the prices:

McDonald Construction Co. Ltd., Bedford, Nova Scotia.	$2,160,210.
Kenney Construction Co. Ltd., Yarmouth, Nova Scotia ...	$2,360,000.
Cameron Contracting Ltd., Halifax, Nova Scotia	$2,423,198.
Acadia Construction Ltd., Bridgewater, Nova Scotia ..	$2,774,444.

A tender for a portion of the project was also received from Annapolis Valley Construction Ltd., Bedford, Nova Scotia, in the amount of $1,663,000.

2. A contract for the complete project was awarded to McDonald Construction Co. Ltd., Bedford, Nova Scotia, the low bidder.

*POST OFFICE DEPARTMENT "DO IT NOW" SLOGAN

Question No. 169—**Mr. Tucker:**

1. Who first suggested the use of the slogan "Why wait for spring? Do it now", by the Post Office Department, and on what date was the suggestion received?
2. Was the suggestion accepted immediately and, if not, why not?
3. When was it decided to use this slogan on letters passing through the mail?

Mr. Hamilton (Notre Dame de Grace):

1. Mr. G. G. Blackburn, director, information branch, Department of Labour, first suggested the use of the slogan during discussions in June, 1956, with officials of the public relations division, Post Office Department.

2. Final wording of the slogan for use in postal cancelling dies was confirmed to the superintendent, public relations division, on July 4, 1956, and accepted immediately; use of the dies to commence on January 15, 1957.

3. The third part of the question is answered in the second section of the answer.

*POST OFFICE DEPARTMENT—EFFECT OF RATE CHANGES

Question No. 170—**Mr. Fisher:**

Unto the date February 1, 1962, what effects, if any, have been noted by the Post Office Department as a result of (a) the reciprocal postal rate for publishers in Canada and the United States of America made effective in 1961 (b) the mailed in Canada rate for foreign publications shipped across the border in bulk and placed in the Canadian mail?

Mr. Hamilton (Notre Dame de Grace):

(a) Since the reciprocal postal rate for publishers in Canada and the United States was placed in effect on July 1, 1961, an additional 11 United States publications, which were formerly posted in the United States, are now being forwarded by the publishers to Canada, in bulk, for mailing in Canada to Canadian subscribers.

(b) The present indications are that as a result of an increase in the number of United States publications being mailed in Canada, and an increase in the "mailing in Canada" rate of postage, which was placed in effect on August 1, 1961, the Canada post office will receive an estimated one and three quarter million dollars additional revenue per annum from the publishers of foreign newspapers and periodicals mailed in this country.

PORTRAIT OF LATE R. B. BENNETT

Question No. 190—**Mr. McWilliam:**

1. Is the portrait of the late prime minister R. B. Bennett, donated by Lord Beaverbrook in the government's possession?
2. If so, is it the intention of the government to take the necessary action to have the portrait of the only native New Brunswick prime minister hung in the parliament building?

Answer by: **Mr. Diefenbaker:**

1. Yes, and has been since the presentation to the Canadian people was made through the generosity of Lord Beaverbrook and the University of New Brunswick.

2. Having regard to the size of the portraits of former prime ministers on display in the foyer of the House of Commons, the opinion was that the size of the portrait did not lend itself to be placed permanently among the larger portraits of former prime ministers, and a portrait of Lord Bennett of larger size is being secured.

*PAMPHLET "OTTAWA AIRPORT"

Question No. 204—**Mr. Hellyer:**

1. How many copies of the pamphlet "Ottawa Airport" were printed in the two official languages?
2. What was the reason for the pamphlet?
3. What was the estimated cost?

Mr. Martini:

1. Number printed—20,000 English, 7,000 French.

2. The department has found a very substantial demand for basic information in pamphlet and pictorial form regarding Canadian airport and terminal developments both in connection with opening ceremonies and on a continuing basis. The pamphlet has served both to provide this information at the time of the opening and to satisfy a continuing stream of inquiries from press, radio and television sources, students, writers, airport organizations in other countries, and from various sources, domestic and foreign.

3. Cost $1,680.17.

*ROADS TO RESOURCES, ONTARIO

Question No. 206—**Mr. Benidickson:**

1. Has the government of Ontario yet requested the Minister of Northern Affairs and National Resources:

Questions

(a) To approve, in writing, a road to provide access to potential mineral and timber resources north of Minaki, Ontario, as contemplated in section 2(c) of an agreement, dated December 22, 1959, between the government of Canada and the government of Ontario, or,

(b) To approve for inclusion in the agreement any other road to resources in the area such as to the base metal mines near Werner lake, Ontario?

2. If the answer to 1(a) is in the affirmative, when was the request made?

3. If the answer to 1(b) is in the affirmative, when was the request made, and what are the points of commencement and termination of the road?

Mr. Dinsdale: The answer to 1, 2 and 3 is as follows:

The original program put forward by the province of Ontario in 1958 to be considered in the roads to resources agreement included a project for the improvement of an existing road and the construction of a section of new road from Minaki in the area around Werner lake. The route of the road as proposed was acceptable as a resource road in that it ran through a highly promising mineral and timber area with good potential for the future. While this road was not one of the projects scheduled for early construction, to cover future contingencies, section 2(1)(c) of the agreement—which I assume is the same as the section 2(c) referred to by the hon. member for Kenora-Rainy River—provided for the inclusion of this road in the program at a later date, subject to my approval in writing, but without the necessity for a supplementary agreement.

By letter dated November 27, 1961, I received from the secretary of the Ontario government's mining access road committee an inquiry as to whether the agreement could be interpreted as meaning that consideration would be given toward approval of improving the existing road from Caribou falls dam site northerly to the base metal mines near Werner lake, by the construction of an additional 18 miles. On December 1, 1961 I replied indicating that section 2(1)(c) of the agreement would apply in this case.

Mr. Benidickson: My question was needed.

*"OPERATION FREEDOM" BROADCASTS

Question No. 209—**Mr. Fisher:**

1. Has the board of broadcast governors received and scrutinized the various materials prepared by the Canadian Chamber of Commerce for its so-called "Operation Freedom"?
2. Has the board examined the releases designed for public service use by radio and television stations which are contained in these kits; and, if so, has it determined whether such material for commentary or spots should be labelled as political statements in the sense that it may attack one or more political parties and support one or more political parties?
3. Has the board considered whether the matter of equal time for rebuttal should be applied with regard to this "Operation Freedom" propaganda;

and, if not, would the board consider making an appraisal of the material with a view to determining whether this is the right step to be taken?

Mr. Nowlan: Mr. Speaker, the answer to No. 1 is no, the answer to No. 2 is no, and the answer to No. 3 is no.

*RADAR GAP FILLER STATIONS—KITCHEN RANGE SPECIFICATIONS

Question No. 210—**Mr. Fisher:**

In construction, repair, or maintenance work at the Department of National Defence radar gap fillers, are specifications for contractors so designed that Canadian equipment and material shall be used; (a) if not, would any specifications given to bidders on work at these filler stations contain the requirements of a kitchen range specified as follows: "Dewyer kitchen unit No. E 39-81-5 made by Dewyer Products Corp. Michigan City, Ind., U.S.A." (b) if so, was a Canadian product unsuitable?

Mr. Chambers: Specifications for the equipment referred to in this question contain the following clause: "To the full extent to which they are procurable, consistent with proper economy and the expeditious carrying out of the work, Canadian labour and material shall be employed".

The combination refrigerator, range and sink unit quoted in the specifications was used as a criterion only. If an equivalent product were manufactured in Canada, it would be acceptable.

MR. AND MRS. KARL BUDAN, ALGOMA MILLS, ONT.—POST OFFICE EMPLOYMENT

Question No. 212—**Mr. Herridge:**

Did Mr. Karl Budan of Algoma Mills, Ontario, write to the Postmaster General on or about January 31 protesting that he and his wife had not been provided an opportunity to obtain employment with the Post Office Department; and, if so, what was the nature of the reply?

Answer by: **Mr. Hamilton (Notre Dame de Grace):**

Yes. The reply was to the effect that at the two post offices mentioned the regular staff was deemed sufficient to handle the additional work during this period. No extra help, authorized and paid by the Post Office Department, was employed at these offices in the past Christmas season.

C.N.R. PURCHASE OF P.G.E. RAILWAY

Question No. 213—**Mr. Herridge:**

With regard to the purchase of the Pacific Great Eastern Railway by the Canadian National Railways, have there been any discussions or have any discussions been proposed between the federal government and the government of British Columbia or the officers of the Pacific Great Eastern Railway?

Answer by: **Mr. Martini:**

There have been no discussions between the federal government and the provincial government or between the federal government and the railway concerned with respect to the subject matter assumed by the question.

With respect to the Canadian National Railways, the president has advised that he had a personal conversation with Premier Bennett during a short interview on Monday, February 12 and that general railway questions affecting traffic co-operation between the Pacific Great Eastern Railway and Canadian National Railways were discussed.

*PRINTING ERROR IN PAMPHLET "NATIONAL AVIATION MUSEUM"

Question No. 214—**Mr. Hellyer:**

Were a number of pamphlets, entitled "National Aviation Museum", printed with an error in the spelling of the French translation and subsequently destroyed as a consequence; and, if so, how many were printed, and what was the cost of the copies destroyed?

Mr. Dinsdale: In May of 1960 in preparation for the establishment of the national aviation museum in time for the celebration of the golden anniversary of flying in Canada, 100,000 copies of a leaflet were printed for distribution to visitors when the museum opened. This descriptive leaflet carried text in both French and English on a reversible self cover. Because of the many years of delay in getting this project under way, the work had to be done hurriedly, and unfortunately a spelling error in the original art work for the French cover was not discovered until the printing had been completed. The leaflet was reprinted at a cost of $1,300, which was the cost of the original printing.

The national aviation museum has since come under the jurisdiction of the museum branch of my department. Hon. members will be interested to learn that the museum has attracted widespread public interest and no less than 143,000 persons visited it in 1961.

Mr. Speaker: Order.

Mr. Dinsdale: In view of this—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. minister is not called upon to make a case, but only to answer the question.

*MILK SUBSIDY PAYMENTS, EASTERN PROVINCES

Question No. 215—**Mr. Pigeon:**

Since the federal Department of Agriculture has been paying to farmers a 25 cent subsidy for each 100 pounds of milk transformed into butter and cheese, what is the total amount received by the farmers of the eastern provinces, that is to say the provinces of Quebec, Ontario, and the maritimes?

Mr. Charlton: Up to January 31, 1962, $31,843,000 has been paid to farmers in the

provinces of Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island under the 25 cents per hundred pounds subsidy on milk used for manufacturing purposes.

*BUTTER SUBSIDY PAYMENTS, EASTERN PROVINCES

Question No. 216—**Mr. Pigeon:**

Since the price of butter has been raised by the present government from 58 to 64 cents per pound, what is the total additional amount of money thereby paid to the farmers of the eastern provinces, that is to say the provinces of Quebec, Ontario, and the maritimes?

Mr. Charlton: Creamery butter production in Ontario, Quebec and the maritime provinces totalled 920,772,000 pounds from May 1, 1958 when the price of butter was raised from 58 cents to 64 cents a pound, to January 31, 1962. The increase of 6 cents per pound on this quantity is equivalent to $55,246,320 additional returns to the producers in these provinces.

MOTIONS FOR PAPERS

QUEBECAIR—OPERATING RIGHTS, SEVEN ISLANDS-QUEBEC

Motion No. 13—**Mr. McIlraith (for Mr. Chevrier):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence between the Minister of Transport and the president of Quebecair Limited and/or any other person or persons since January 1, 1960, concerning the granting of exclusive rights to Quebecair Limited to operate between Seven Islands and Quebec.

Mr. Balcer: There would be no objection to this motion.

Mr. Speaker: Is the house agreed that this motion may be presented by the hon. member for Ottawa West?

Some hon. Members: Agreed.

Motion agreed to.

QUEBECAIR—APPLICATION FOR ASSISTANCE

Motion No. 14—**Mr. McIlraith (for Mr. Chevrier):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence between the Minister of Transport and the president of Quebecair Limited and/or any other person or persons since January 1, 1960, concerning the application for a subsidy or a payment for its winter operations or for any assistance whatsoever to Quebecair Limited for its air services on the lower St. Lawrence.

Motion agreed to.

GARIBALDI PARK, B.C.

Motion No. 16—**Mr. Herridge (for Mr. Winch):**

Motions for Papers

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, and other documents exchanged between the government of Canada and the government of British Columbia since January 1, 1960, relating to the establishment of Garibaldi park in British Columbia as a national park.

Mr. Dinsdale: In view of the fact that there has been no correspondence on this subject since the date indicated, I wonder if the hon. member would consider withdrawing the motion.

Mr. Herridge: In those circumstances there would be no objection on the part of this group.

Mr. Speaker: Perhaps the house would allow the motion to stand, because the hon. member for Vancouver East is not here to give his consent to withdraw it.

Motion stands.

POST OFFICE DEPARTMENT "DO IT NOW" SLOGAN

Motion No. 17—**Mr. Tucker:**

That an order of the house do issue for a copy of any correspondence since July 1, 1959, from any person or organization, with the Minister of Labour or the Postmaster General, or any official of either or both departments, regarding the use of the slogan "Why wait for Spring? Do it now."

Mr. Starr: I am advised by my officials that apart from correspondence between officers of the Department of Labour and the Post Office Department, which is considered privileged, there has been no other correspondence on this matter. In view of this I would ask that the hon. member consider dropping this motion.

Mr. Speaker: Does the hon. member agree?

Mr. Tucker: I agree.

Order discharged and motion dropped.

EXPORT STRATEGIC LIST

Motion No. 18—**Mr. McIlraith:**

That an order of the house do issue for a copy of the strategic list referred to by the Minister of Trade and Commerce, page 708, *Hansard*, February 9, 1962.

Mr. Churchill: The Minister of Trade and Commerce has given me the following information on this subject. A similar question was raised in 1956 on July 9; the reference in *Hansard* is to page 5768. The then minister of trade and commerce, Right Hon. C. D. Howe, said:

Hon. members will appreciate that I cannot table secret and confidential information exchanged with certain NATO and other friendly countries covering controls over the shipment of strategic goods...

This motion cannot be accepted.

Mr. McIlraith: This raises a question of privilege, inasmuch as the minister who has just taken his seat has referred to another

list. The reference in *Hansard* of that date is not to a question which had to do with the Export and Import Permits Act. The remarks of the former minister of trade and commerce had to do with a list which was of international significance in relation to NATO. The two lists are different. The remarks of the minister are not applicable.

Mr. Speaker: The motion might stand until the Minister of Trade and Commerce is here.

Mr. Churchill: The question asked for the strategic list. The answer has been given with regard to that list.

Mr. Martin (Essex East): There are two strategic lists.

Mr. McIlraith: They are two different matters.

Mr. Speaker: By unanimous consent the motion may be allowed to stand. Otherwise it should be proceeded with. Is it agreed that the motion stand?

Some hon. Members: Agreed.

Mr. McIlraith: Stand until the minister is here.

Mr. Speaker: Stand.

Motion stands.

INTERDEPARTMENTAL COMMITTEE SUBMISSION ON RAND REPORT

Motion No. 19—**Mr. Robichaud:**

That an order of the house do issue for a copy of the report made by an interdepartmental committee for submission to the government on the recommendations made by Mr. Justice Rand relating to the Nova Scotia coal industry.

Mr. Flynn: As indicated on February 8 by the Prime Minister, when he answered a question about this report put by the hon. member for Cape Breton North and Victoria (Mr. Muir), the report referred to in this motion is privileged and it is contrary to the practice to produce it. I was wondering whether the hon. member would insist on putting his motion. If so, we would have to oppose it.

Mr. Robichaud: In view of the explanation given by the minister I will accept the suggestion that this motion be dropped. However, I intend to come back to the matter later this day during discussion of the estimates.

Mr. Speaker: Dropped.

Order discharged and motion dropped.

PURCHASE OF RAILS FROM C.N.R., QUE.

Motion No. 22—**Mr. Brassard (Lapointe):**

That an order of the house do issue for a copy of all correspondence exchanged between any department or minister and the president of J. P. Boisjoly Industries Limitée, from September 1, 1957, to September 1, 1961, regarding the purchase of rails from the Canadian National Railways at St. Philemon, Chateauguay county, in the province of Quebec.

Motion agreed to.

ARGENTIA FERRY TERMINAL

Motion No. 23—**Mr. Tucker:**

That an order of the house do issue for a copy of a letter addressed by the secretary of lodge number 1237 of the international association of machinists, St. John's, Newfoundland, to the Minister of Transport since January 1, 1962, concerning the Argentia ferry terminal together with a copy of any reply thereto.

Motion agreed to.

NATIONAL DEFENCE

USE OF NUCLEAR WEAPONS IN EVENT OF WAR—AGREEMENT WITH U.S.

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to direct a question to the Acting Secretary of State for External Affairs in the absence of the minister. Notice of this question was sent to the minister's office this morning. Has any agreement been reached between the government of the United States and the government of Canada or any agency or person thereof that would ensure the delivery to Canada of nuclear weapons either before or after the outbreak of war?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the answer is in the negative.

[*Later:*]

Hon. Paul Hellyer (Trinity): I should like to ask the Prime Minister whether he saw the program which has been characterized as the great Canadian comedy last night on the Canadian Broadcasting Corporation network at ten o'clock, and whether the Minister of Public Works (Mr. Walker) was speaking on behalf of the government when he said:

—if we have atomic warheads here we want to have them under our own sole control. That is perfectly natural.

Mr. Diefenbaker: Mr. Speaker, I am not going to reply in kind. After all, the hon. member provides some continuing comedy to the house in his questions. As to the latter part of the question, may I say that I am unaware of what the hon. minister said. I can only add that last evening he seemed to have complete control of the situation.

Mr. Hellyer: I have a supplementary question for the Prime Minister. Will the Prime Minister advise the house whether there has been any change in the policy of

the government since July 6, 1960, when he advised the house as follows:

> At no time did I say sole control. I said joint control of Canada as to the use and also as to everything connected therewith. That statement still stands.

Mr. Diefenbaker: Mr. Speaker, I have not the statement before me. I know that at that time a rather lengthy statement was made. I simply point out the fact that since then discussions have continued between the United States and Canada with reference to this matter. It has been a subject that has caused a great deal of division among all the nations within NATO. However, in so far as Canada and the United States are concerned, at the moment there are no immediate discussions.

Mr. D. M. Fisher (Port Arthur): I have a supplementary question, Mr. Speaker. It deals with the television program, and it is directed to the Minister of National Revenue in his role as spokesman for the C.B.C. Will the minister ascertain whether a video tape of this program is available so that it can be run again across the country? Both those of us who saw it and many who did not see it would welcome the opportunity of having that entertainment again.

[*Later:*]

Mr. J. R. Garland (Nipissing): Mr. Speaker, I should like to direct a question to the Minister of Public Works. I regret I was not able to send him notice. In view of the minister's unwillingness to accept statistics supplied by the dominion bureau of statistics or, indeed, figures from the Minister of Finance, as exemplified during his television appearance last evening, is the minister giving active consideration to setting up his own political bureau of statistics?

Hon. D. J. Walker (Minister of Public Works): I should have made it clear last night, Mr. Speaker, that I thought I was being presented with material from the Martin bureau of statistics, and there is a great difference.

POWER

COLUMBIA RIVER—LETTER FROM PRIME MINISTER TO B.C. PREMIER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Prime Minister in view of newspaper accounts of a speech made by Premier Bennett in the legislature of British Columbia last evening in which he is reported to have said that he had heard from the Prime Minister to the effect that from now on all was going to go well on the Columbia, that the Prime Minister had bypassed the Minister of Finance and the Minister of Justice and that they were going to conduct negotiations directly between one another, or words to that general effect.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I wish first, if the house will allow me to do so, to extend birthday congratulations to the hon. gentleman. None of us at our age like to have birthdays. However, this occasion gives an opportunity to at least extend felicitations to one who has been a long time member of the house.

With regard to the question he asked, I can only say that there has been no communication with the premier of British Columbia along the lines indicated, and that there has been no arrangement made for any meeting or any anticipated meeting.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, a moment ago the hon. member for Kootenay West asked me a question arising out of the statement made by the premier of British Columbia that he had received a letter from me on Monday. There was a letter written to the premier of British Columbia, as to all the other premiers across Canada, not in connection with the Columbia river but generally in connection with power transmission. Perhaps I might indicate the subject matter by referring to certain parts of the letter. I stated:

> Replies have now been received from the provinces on the subject of a federal-provincial meeting of ministers regarding the problems of the generation and transmission throughout Canada of electric energy. I expect a reply soon from Premier Smallwood but I thought that you would like to know what the other premiers thought of the proposed meeting.

Then I set out the views of the various premiers and went on to say:

> In this connection on February 16 I mentioned in the House of Commons that while power development within a province is a matter of provincial jurisdiction, power developments between provinces are of interest and concern to the federal government.

I referred to the proposed meeting in these words:

> As most premiers agree that a meeting of ministers along the line suggested is desirable, it would seem to me that such a meeting could be held in Ottawa by mid-March if agreeable to you—I would suggest March 19. I am hoping that the provinces of Newfoundland and Quebec will see fit to join in the meeting.

Then in the latter part of the letter I stated:

> Three principal questions will be considered at this meeting. The first will be the general advantages to be derived from the regional and interregional, and in certain circumstances international, intercommunications of electrical facilities. The second will be the principal problems involved in long distance power transmission, and the nature of the steps that might be taken to meet them; the third, the roles which the federal and provincial

governments could play in the planning, research and development required in order to obtain the greatest benefit to the provinces and the nation.

That letter had to do with the general proposition of a national power grid.

TRADE

WHEAT—INQUIRY AS TO PAYMENT BY CHINA

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): In the absence of the Minister of Agriculture I direct my question to the Prime Minister. As there has been a great deal of speculation as to whether the government of red China would meet their February payment on the purchase of Canadian wheat, can the Prime Minister inform the house whether Canada is now in receipt of the payment which I believe was due on or about February 22?

Right Hon. J. G. Diefenbaker (Prime Minister): The terms of payment under the long term agreement provided for 25 per cent cash and the balance over a period of 273 days. The first three drafts under this credit arrangement were payable in the latter part of February, and all of them have been honoured on the scheduled date.

Mr. G. J. McIlraith (Ottawa West): I wish to direct a question to the Prime Minister. In view of the Prime Minister's readiness to answer for the Minister of Agriculture questions on the subject of the sale of wheat to red China, will he answer the question appearing first on the order paper today under my name?

Mr. Speaker: Order. The question has already been allowed to stand at the request of the government, and it will come up again for consideration in due course.

Mr. McIlraith: Speaking on the point of order, may I say that my question was whether the Prime Minister would answer. That question has not hitherto been put.

An hon. Member: No point of order there.

Mr. Frank Howard (Skeena): I have a supplementary question I wish to put to the Prime Minister with respect to the sale of wheat to China. In view of his kindly remarks to that government, in which he was obviously supported by his followers, is this an indication that there is an intention of exchanging diplomatic recognition with that nation?

Mr. Speaker: The hon. member should not expect an answer on a matter of policy which has been outstanding for such a long time. I fail to see that urgency has arisen suddenly.

[Mr. Diefenbaker.]

LABOUR CONDITIONS

RAILWAY EMPLOYEES—INQUIRY AS TO CONCILIATION PROCEDURE

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I should like to direct a question to the Minister of Labour. Would the minister inform the house as to what leadership he is giving at the moment in the difficult situation involving 110,000 non-operating employees of the C.N.R. and C.P.R. who are in conflict with management with respect to their contractual employment arrangements? Will he indicate whether or not he is proposing to both sides the appointment of a conciliation officer at this time to try to adjust the difficulties, or whether he will accede to the request of the employees that there be a board of conciliation?

Hon. Michael Starr (Minister of Labour): All facilities that are provided under the Industrial Relations and Disputes Investigation Act will be at the disposal of those involved in this dispute, and I am giving consideration now to the requests made by both the railways and the employees.

Mr. Benidickson: Will the minister inform the house within a few days of his decision as to the opposing requests that have been made to him?

Mr. Starr: I think it would only be proper that I inform the people participating in the dispute first and advise the house afterward.

COAL

RAND REPORT—STUDY BY INTERDEPARTMENTAL COMMITTEE

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I should like to direct a question to the Minister of Mines and Technical Surveys. In view of the statement made in the house nine months ago, on June 1, 1961 by his predecessor, the former minister of mines and technical surveys, to the effect that a formal statement will be issued as soon as it is possible to do so on the report of the interdepartmental committee for study and report upon the probable effect of the specific recommendations of the Rand commission, can the minister advise the house when we may expect such a report?

Hon. Jacques Flynn (Minister of Mines and Technical Surveys): Mr. Speaker, this problem is still under consideration, and when a decision is reached it will be indicated to the house.

Mr. Robichaud: It takes a long, long time to decide.

PRODUCTIVITY COUNCIL

REPORTED REFUSAL OF REAPPOINTMENT BY E. P. TAYLOR

On the orders of the day:

Mr. Walter Pitman (Peterborough): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce, but in his absence possibly his parliamentary secretary would take it as notice. Arising out of the announcement that Mr. E. P. Taylor has declined reappointment to the productivity council, can the minister indicate this gentleman's reasons for not accepting reappointment?

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): Mr. Speaker, I will take a look at the question and, if it is appropriate, give an answer tomorrow.

PARLIAMENT HILL

REQUEST FOR REMOVAL OF SNOW AT MAIN GATE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Public Works, and I regret not having sent him notice. It is inspired from listening to his broadcast last night and realizing that he can meet nearly every situation. My question concerns the members of the fairer sex who work in this building. In view of the almost impossible condition of the sidewalk at the crossing on Wellington street in front of the parliament buildings, and in view of the apparent inability of the city of Ottawa to provide even one man for one hour to shovel the snow away, will the minister instruct one member of the House of Commons staff to dig a path through the snow so as to make it unnecessary for members of the fairer sex to have their pedal extremities and other adjacent areas saturated?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I will have to seek the permission of the mayor of Ottawa to encroach on her preserves, but I will be glad to do so.

OLD AGE SECURITY

WINNIPEG—INCREASED ROOM AND BOARD CHARGES TO PENSIONERS

On the orders of the day:

Mr. M. W. Martin (Timmins): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. I regret not having time to give notice. In view of a report in the Ottawa *Citizen* of February 27 that the Canadian National Institute for the Blind in Winnipeg has been forced because of its deficit to increase room and board charges for old age pensioners to $55 from $45 a month, thus still leaving the old age pensioners with only about 33 cents a day, could the minister inform the house of the approximate date when the government proposes to introduce a measure to provide some real old age security and social justice for Canadians?

Mr. Speaker: Order. The hon. member's question started out as though it might be bona fide, but it seemed to me that eventually he has lead up to an argument, and I rule his question out of order.

SUPPLY

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

DEPARTMENT OF FORESTRY

Forest research branch—

635. Operation and maintenance—further amount required, $80,000.

Mr. Fisher: Mr. Chairman, there are a number of points I wish to make on this estimate, since it deals with the research branch of the Department of Forestry. The field of forestry has had a number of important reflections or mirrors held up to it in the last few months, starting with the resources for tomorrow conference last fall, and there have been a number of other meetings to which I should like to refer.

My own interest in forestry research stems from a period spent in building a forestry research library at the head of the lakes and the opportunity that gave me for travelling in the field, and for visiting forestry operations in the United States and Canada. Since then, and because forestry means so much to the economy of my own area, it has always been the paramount interest I have had in terms of economics.

The first point to which I should like to draw the minister's attention is the confusion that exists at the present time amongst foresters themselves as to what kind of forestry research we should conduct and what priorities exist. If the minister took part in the resources for tomorrow conference and looked at some of the preliminary conclusions that were drawn by the two workshops there, I think he will acknowledge this. There seemed to be a number of fields which the foresters themselves, plus the other experts associated with them who came to these meetings, were really not sure should be emphasized. The traditional emphasis toward forest fire protection and the protection, you might say, in the field of forest pathology,

were matters that we always had mentioned again and again, despite the fact that many of the younger foresters seemed to feel the emphasis should be much more on the economic problems facing Canadian forestry today.

I should like to draw the minister's attention to the fact that as a result of some questions I asked in the house, sessional paper No. 195 was filed. These questions dealt with a paper given by one of his officials in this particular branch at a joint meeting in Minneapolis of the United States and Canadian societies of forestry. Here I should like to suggest to the minister that if one of his research officers can produce a confusing paper such as this, then we are really in a rather desperate way in economic research at the present time.

I feel I have every reason to be critical of the point of view put forward here. For example, in our particular region the majority of the licences are held by corporations—I won't say the majority in the area, but the majority of the licences—are held by United States owned corporations. I can think of a number of them such as the Marathon Corporation, which is a subsidiary of the American Can Company; Kimberly-Clark, which controls large limits around Longlac; Ontario Minnesota Paper Company, in the western end of northwestern Ontario, and the Ontario Paper Company, the old offshoot of the Chicago *Tribune*.

Now, United States ownership of the mills and United States licencees are facts with which those of us who live in the area are very familiar. One of the first points I should like to make is that the experience of the natives, if I can include myself in that term—and I was born there—has been that these corporations in almost every sense are as good employers as the Canadian corporations, or better. This is also true in the sense of accepting responsibility for forestry research and responsibility in the field for such things as planting and general care for regenerative practices. You can hardly find a Canadian organization to match them in that part of the country. Despite the respect I have, for example, for the Abitibi Power and Paper Company and Mr. Ambridge, Abitibi cannot compare with Kimberly-Clark in the responsibility it shows toward its limits, its research and the whole protection of future supply. This, of course, is my opinion.

This officer of the department, Mr. Babcock, spoke at a joint United States-Canadian meeting. He brought up this whole question of the problem of an exporting country like Canada. Finally he had this to say:

[Mr. Fisher.]

> It is difficult to evaluate the ultimate effect on the Canadian economy of foreign participation since the variables are extremely complex. It would be incorrect to suggest that this condition is detrimental to the Canadian economy, because regardless of the size and scope of the operations of an international corporation, maximization of profit is its primary concern in the long run. However, it places in the hands of non-residents the basic economic decision making functions for a large segment of the economy.
>
> Decisions with respect to investment, plant location and expansion, purchasing, pricing and marketing all have their effect on the export of goods. These decisions in the hands of foreign based firms may directly affect the competitive position of Canada in world markets through their influence on the proportion of output allocated to foreign markets and the diversification of production for home consumption.

I have read that too quickly for members to appreciate the gist of it, but it seems to me that here is an economist who has a point but he really does not make it. He sets up a number of factors which would militate against the continuation of United States ownership in Canada, but then lets them go by saying, "Well, after all, really what is there to it?" I feel this is a most unfair kind of approach to make to a topic such as this. It would be better to go and say nothing than go and raise issues that you are not going to see through to some kind of conclusion.

I bring up the corporations, first of all, because this gentleman went to Minneapolis and had some things to say that are even more peculiar about trade unions that operate in the pulp and paper industry. He has a section in his speech called "Wage cost spiral". There are such lovely banalities in that section of his speech as this:

> Most Canadians will agree that the United States is a most excellent neighbour and a comforting ally.

Then this officer touches on the question of the danger we face by living next to the United States because labour in Canada discovers how well paid labour is in the United States. Labour in Canada belongs to the same unions as do the men working in the woods in the United States. Then he winds up with a little homily to this effect:

> Any external factor such as the use of relatively higher wage levels in the United States for labour-management negotiations in Canada, could artificially influence the cost of Canadian production.

Does he really believe this, or why did he bring it forward? I can tell him how this was reported in both Canadian and United States newspapers. The whole emphasis was on the fact that Canadian labour in our woods was looking to United States examples and United States organizations, and had raised wages inordinately high so we were not able to compete as well. I ask the minister whether or not that is the kind of role he feels one of

his research economists should be taking. If the man has a case to make against the relationship of Canadian locals in United States international unions, why does he not make it instead of making this half-baked analysis? My point is, if this is a sample of the economic research that goes on in the minister's department, then no wonder when we have a conference such as the resources for tomorrow conference there is a great deal of confusion in the reports coming forward from the research workshop.

Perhaps I should not cite the report that was put forward in the last journal of the resources for tomorrow conference. I know these things were done in a hurry, and they are very definitely synopses. However, I should like the minister to have a look at pages 18, 19, 20 and 21, containing the recommendations and the points made at these research workshops. I think he will agree that in forestry we have to get away from the idea that research is a good word. Sure, it is an okay word, and everybody loves the word "research"; however, the research has to have some purpose.

I certainly feel that one of the first moves that should be made, as a result of the mix-up in ideas expressed at these workshops, is that these things need to be tied together.

I am not convinced in my own mind that the research being carried on at the present time in the minister's department is really valuable. I can give him an example of this. There was a paper published just the other day relating to skidding practices and how many logs could be brought out in a certain time. This was a fairly expensive study but I ask myself is this the sector in which federal research should be concentrated? What is the Canadian pulp and paper association and its woodland section doing? I know their publications and I would say almost 40 per cent of them deal with just this kind of study. In terms of priorities what is our forestry research division doing in a field such as skidding, taking examples from the Petawawa forestry research station on the length of time it takes to skid? If you are going into this kind of work the place to go into it is on the job.

I would like to suggest to the minister that there needs to be a reappraisal of what kind of research his officials are going to do. I could give him an example from some of the problems we are facing in my area. The whole question relates to two fields, one silviculture and the other logging management. One is the very key question of logging costs. That is fundamental; and the other is the whole relationship of spruce to our pulp and paper industry.

It is very apparent when you talk about forests you do so from either the industrial or the government point of view, and I say this not to cast a slur on any man in any branch, or on the forestry policy of the Ontario government, but it is apparent that every forester is concerned about the way we are cutting our spruce.

The only substantial argument that one can put against this was put just last week by the forester for an Ontario paper, a man named Mr. Bruce Thompson, who read a paper at the meeting of the provincial foresters association for Ontario held in Port Arthur. He indicated that it was not industry's responsibility to worry about research or worry about regeneration, rather it was industry's responsibility to worry about selling and keeping up production and lowering costs.

There has been tremendous confusion in this particular area, and the use of spruce lies right in the middle of it. As most hon. members are aware, in the paper and pulp industry the fundamental ingredients do not have to be spruce, pine, birch or anything like those. It is a question of cellulose. It is a very significant event that Mr. Thompson expressed himself as he did. Why worry about premium kinds of cellulose that you find in spruce, when the chemical engineers can come along and clear up the whole problem? The main point is that as long as you use some kind of wood it will provide you with cellulose. There is the further argument that since poplar and birch are considered inferior species, and they grow much faster than spruce, then it is not wrong to fall back on the chemical engineers and be confident about them, because in the past 10 years the advances in chemical science have led to an increased production of quality newsprint and other papers of all kinds being made from products other than spruce.

Here is an area in which I am positive I am right, either scientifically or economically. At the present time we do not know whether we should be worrying about our spruce regeneration or not. Some companies are, and they are planting millions of trees a year. Other companies could not care less, and argue what is the difference? Surely this is crucial so far as the future of our forests is concerned. We could waken up in 10 or 15 years time and find we have not a substantial area of decent spruce to cut, that we are overcut. I have only to point out the experience we had in the past with white pine, if anyone says this could not happen.

As I said, this is one fundamental question of research which the department should tackle, whether there is any need at the

present time to worry in so far as our newsprint pulp supplies are concerned, and whether we are overcutting spruce and not developing alternatives to spruce. It is my contention that the department should go very far to influence the kind of forestry policy we are ultimately going to get.

The other problem I would like to raise with the minister is fundamental, vitally important and very delicate. That is the question of wood costs and our competition. We in my part of the country are accused of having the highest wood costs in the world. It is said that down in the southern United States you do not need a woods department; all you need to do is carry your woods department around in you back pocket because you have a whole bunch of negro settlers willing to work at very low rates on subcontracts, and because these settlers are impossible to organize they cannot have a higher wage rate.

It is argued that we must compete with this trend, but the argument never seems to be carried directly to its conclusion, although apparently the minister's economist who spoke in the United States went part way. The answer seems to be that Canadian labour working in the woods industry should not be prepared to take any more increases, and cut down in its demands. Now the whole point about this, as any trade unionist knows, is that all the paper companies have found their paper stocks moving in the last few weeks as a result of the dividend which Abitibi declared not so long ago. As a result of the Canadian government devaluing the Canadian dollar, the wood and paper companies in Canada have never had such beautiful balance sheets since 1956 as they have had this year. However, the men who actually start the whole business going, getting the wood to the mills, now want more when they see this happening; yet we have this story going around all the time that our wood costs are too high and that we are pricing ourselves out of world markets, including the United States market.

Is this not a challenge to the researchers? Is this not a problem for the national government to come up with the answer? I would draw the minister's attention to a statement made by the president of Abitibi. He says the logging tax is outrageous. Mr. Ambridge, the president of Abitibi, says world markets have been lost to the woods industry because of the outrageous logging tax. What does the minister's expert tell him about that? Has he any advice on that? What does he say to the Minister of Finance when this subject is brought up? Does his economist tell him that the logging costs are putting us out of the United States market? It seems to me that these are vital and important questions to ask at this time about our forest research.

I would suggest that the minister has had a magnificent period of quiet in which to take over and assume the responsibilities of his department. He has not had tremendous pressure put on him by this house. He has not had critical pressure put on him. I am not bringing that pressure to bear on him now, but I suggest it is about time for him to crystallize some of these problems, particularly as they relate to forestry research.

The point I would like to underline again is that it has its effects on my region of the country where the dream, like in many other areas interested in the pulp and paper industry, is to have substantial forest communities. I am speaking about the social aspect of forestry, and every trade union leader of intelligence in the industry can tell the minister that we need to get away from the incentive kind of thought. We need to work to the stage where everybody is on a daily rate. All the professional foresters that I encounter tell me that we need to move toward a day rate because this is the way to get responsible cutters in the bush, men who through continuity and through living in a community are going to be more than the standard lumberjack who goes in, makes a big clean up of $75 or $80 a day on occasion for a few months and then goes away for the rest of the year.

I see the Minister of Labour sitting there. I remember that he went to the lakehead and someone told him of the case of a man who made, I think it was $8,000 in six months, and spent the rest of the year drawing unemployment insurance. I do not think this is the standard practice, but those very examples are the kind of things we should like to get away from in our part of the country. We would like to have stable communities in which men work at forestry the whole year round. This would have immense social consequences for good. For example there is the improvement we could put into schools, and the whole social relationship of an area could be shifted and changed.

No one likes the kind of situation where you have 3,000 or 4,000 men either working terrifically hard or walking the streets of Port Arthur or any other northwestern Ontario town. At the present time this is not the responsibility of the federal government except in a very peripheral way, but I do suggest that here is an area of research and an opportunity for leadership that the minister has with his Department of Forestry.

I know there are examples in our own region of what can be done. One of the problems I could point out to the Minister of

Citizenship and Immigration that relates to this question is the fact that we have an indigenous Indian population in the woods, but very few of them work on pulp and paper operations. Why is it that this is so? This is, in a way, their own land, their own forests, and why cannot they get jobs? Why are they not encouraged to work in the forests? Why cannot some liaison be established, not just in one place but in many places so they can fit into the labour field in the forests?

I suggest there is a good example in Kimberly-Clark in Longlac, Ontario, where very strenuous efforts have been made by this company to develop a year round labour force, probably at considerable cost to themselves. Here is almost a pilot project for the minister's research people. They could go in there and see what are the factors that make this work at Longlac. If it can work there, why cannot the other companies follow suit?

I should very much like the minister, in following up these things, to pay a visit to northwestern Ontario and also to the pulp and paper areas of Quebec. I do not mean a visit to the city of Port Arthur or Fort William, but to the towns where actual cutting takes place. I am thinking of places such as Beardmore, Longlac, Geraldton, Caramat, Ignace and similar parts of the country.

I hope the committee will forgive me for becoming so wrapped up in this particular topic, but I must confess that I have a great feeling of exasperation in this field. I have been closely associated with foresters for about eight years. Some of my best friends are working for the provincial government in the fields of research and industrial forestry. I have never met a profession that is so confused as the forestry profession seems to be at the present time. That is why I have perhaps put an inordinate responsibility upon the federal department to give some leadership in this field.

In case those few remarks about the profession of forestry may be taken in the wrong way, I sketched out the reasons for the confusion in an article that appeared in the Canadian foresters professional journal; but in a nutshell they seem to be this. The forester in his professional attitude is concerned with the future. He has to be, because this is the cycle that he is up against in biology. Also the forester, in terms of industry or government management, is up against the annual report and the quarterly dividend. Somehow in the straddle between those two points of view both the idealism and the assuredness of the forester seems to be lost, and as a consequence I can only think of one or two companies in Canada where the professional forester really has the kind of influence on forest policy that he deserves. One of the things that keeps staving off his movement toward a more responsible position is the very confusion that seems to be raised about goals and objectives.

Coming back to where I started, I cannot think of anything better to confuse objectives and goals than the kind of paper presented in Minneapolis by the economist from the minister's department.

Mr. Rowe: Mr. Chairman, I have listened with interest to the hon. member for Port Arthur and I am very glad to see such a keen interest in the forestry industry expressed from different parts of this house in the last few years. I speak as one who has no direct interest in management, and very little other interest in the pulp and paper industry at the present time; but for many years I have felt that the dominion government, no matter which party was in power, failed to take the proper interest in this very important and foremost basic industry of our country.

I cannot altogether agree with my hon. friend's remarks, but I am not going to speak of them in a controversial way except to say that I think the department has done a great deal to assist the provinces. After all, the forestry industry is connected with and has been regarded mostly as being the responsibility of the provinces. That is why I think governments here in Ottawa over the years felt that they did not have much to do with the industry.

However, when one considers the revenue the dominion government receives directly and indirectly from the great pulp and paper industry of this country, I think a very small proportion of it has been contributed back to the provinces in co-operation with them and for their assistance.

The hon. member has mentioned an article presented at an international meeting by someone in the Department of Forestry. To my mind this is not of any great significance. Sometimes these papers are well written and sometimes they are not so well written. In fact, I do not think there was anything very wrong with the article that was written. I do not agree that the research should be along economic lines or that the Minister of Forestry should get out into the bush and show them how to drive a logging horse or skid the logs, because there are other fundamental parts and functions that his department could play.

I well remember that our ex-prime minister, the Right Hon. Louis St. Laurent, was keenly interested in the pulp and paper industry. I know from personal conversation with him that he also felt his government,

and probably previous governments, did not do as much as should have been done. I do not say this in any political manner except that I compliment the present minister and this government for having done a little more on behalf of the dominion than has ever been done before, and yet not quite enough.

Mr. Benidickson: They have collected more in taxes.

Mr. Rowe: Yes. Well, in better times they always do. I merely mentioned that there are other factors which are basic to the preservation of this great resource. When one considers what is used in the pulp and paper mills and in the lumber mills, and what is still used for firewood, it is rather frightening to realize that there is more spruce, jackpine and timber of different species burnt in this country in forest fires and destroyed by fungus and insects than the entire amount used by the pulp and paper industry. Surely, then, this is the angle that should get first priority.

I know it is difficult for the dominion government, our constitution being as it is, to interfere too much with the administration of the departments of lands and forests in the respective provinces, but I may say it should be just about as possible, constitutionally, to do so as it is to interfere with agriculture. I believe we have only touched the edge of what the dominion government could do and should be doing in this respect, and I am glad the trend is toward co-operation with the provinces in this field.

I believe the government has in the first year, spent $5 million on assisting the different provinces. In addition, $1,250,000 is to be distributed in the different provinces toward the purchase of fire fighting equipment. I hope there could be a working arrangement with the Department of National Defence so that when these major fires take place prompt assistance could be forthcoming. No one who has ever experienced one of these great fires, such as that which happened last year in Newfoundland and those which occasionally happen in northern Ontario—the district to which the hon. member for Port Arthur has referred—can ever forget it. The destruction is simply tragic: To think that we, collectively, the dominion government and the provincial governments, should allow an annual destruction in these rich black forests of more acreage than is used in all the pulp and paper industries in Canada!

We hear people worrying about the amount of timber that has been consumed by the pulp and paper industries. I was glad to hear the hon. member for Port Arthur compliment the United States companies who have subsidiaries here in Canada. I know most of these companies very well—Kimberly-Clark and many others he has mentioned. I have no brief for any particular company, but I cannot think the hon. member is entirely impartial when he criticizes the company in his own district—the Abitibi company—for not being as up to date in every respect, particularly in connection with research, as any of the companies to which he referred. I think that there are many fine companies in the country, and one of the finest is the great Abitibi company which, of course, gives employment to many people. It is fair in its treatment of labour, as the Great Lakes Company and other companies have been, and I think Kimberly-Clark and its subsidiaries have carried out a great deal of research and are to be complimented for it. However, from the nature of this great industry and of the constitutional responsibility shared by the different governments, provincial and dominion, it is difficult to see how the dominion government can fit in today and exert as much influence as the industry might warrant.

Nevertheless I do believe that a great deal more could and should be done in co-operation between the federal and the provincial departments. I compliment the minister on the steps which have been taken along this line and I hope they may continue. I trust that more money will be spent in this direction, if only on roads connecting the forests of the different provinces because, after all, there is no better way to lay the basis of a sound protection against fire, fungi and insects than to have access roads through these great timber areas.

People speak about the pulp and paper industries and the amount of timber they use. They accuse them of cutting down the trees and ravaging the forests, thinking about nothing but profits. May I remind the committee that the pulp and paper industry is, generally speaking, across Canada, only earning between 3 and 5 per cent on the money it has invested? As I say, I have no brief for the Abitibi company and I mention it because it is a company with which I have no connection; in fact it might be said I was competitive with it. The hon. member was worrying about the men who are working for that company and about the other pulp and paper workers and bushworkers in Canada. I would remind him that they are among the highest paid workers in the world. I notice the hon. member did not say anything about the 33,000 shareholders, 75 per cent of whom are small shareholders. In fact, over half the shareholders might well be widows, retired school teachers, retired professional people, or retired members of parliament, even, who might have a few dollars invested. I would

venture to say that the holdings are a great deal smaller on an average than the amount of investment it takes to employ one labouring man.

Mr. Fisher: Would the hon. member permit a question? Is he assuming from my remarks that I was critical of the Abitibi company, aside from the research program?

Mr. Rowe: No.

Mr. Fisher: That was what I was criticising in connection with Abitibi and I should like to make the point clear.

Mr. Rowe: I understand. I only mentioned the Abitibi company as an example. I might well have taken the whole industry. I am in no way inferring that the hon. member was critical of the company's attitude either to the men or to the shareholders, except that he did mention it was less efficient in some respects, with regard to research and so on, than some of its United States competitors.

Mr. Fisher: My comments were specifically related to research. I am the first to recognize that among the pulp and paper companies the Abitibi company for various reasons is the most popular company to work for.

Mr. Rowe: I am glad to hear the hon. member's opinion on that, though I might be prepared to offer him an argument on it. But I am glad he has cleared up his position in respect of the Abitibi company. I am speaking in generalities. I do not want the hon. member—

Mr. Fisher: I am not scared of the president of Abitibi, Mr. Ambridge; but I am not going around lambasting him either.

Mr. Rowe: I know Mr. Ambridge is not scared of you, either.

It takes much work and effort to build up a great industry such as the pulp and paper industry and again I compliment the government on the steps they have taken to assist in this direction. I hope these efforts will be given encouragement by all hon. members in the future.

I can well recall a time in this parliament when practically nothing was spent by the federal government on the great pulp and paper industry, despite the revenue which came into the coffers of the dominion government for so many years. Again I suggest there is tremendous research work to be carried out with reference to destruction caused by insects, fungi and fire. So far as reforestation is concerned, practically every important company in Canada is doing a great deal. The hon. member for Port Arthur shakes his head but I should like to tell him that independent of what any of the companies may be doing there is a great misconception with regard to what can be achieved by assisting in reforestation. I have tramped through the bush a good many times over the years in which I was more closely interested in and responsible for this big industry. I have seen areas which will not have on them, it is true, for fifty years after it is cut down, wood which is fit to cut again. However, in some areas I myself have counted ten times as many little spruce growing up as spruce trees that were cut down. The most advanced and most educated silviculture scientists today, while they differ a great deal, believe that our general natural reproduction, if it is protected from fire, will amount to between 85 per cent and 90 per cent generally right across the board.

Trees are just like other products that grow. A few years ago some hon. members asked about this matter. I remember one hon. member asked why the pulp and paper industries and the lumber industry should be allowed to go into the forests and cut them down. I might ask some of my friends from western Canada a similar question. When they have miles of beautiful golden wheat that looks so beautiful from the aeroplane or from the train, why cut it down when it is ripe and ready to harvest? It is cut because the next crop will come on. Our forest industry is somewhat the same. When the trees are ready to cut and there is a market for them, they should be cut. They should be taken as a crop. The difference is that it takes from 60 to 70 years to grow a spruce tree and it probably takes fewer months to grow a crop of wheat, probably six months.

On the other hand, as has been mentioned, research is now being carried out no doubt by the companies. Lowering the costs of production is of vital importance in ever growing competition throughout the world. That is something that is always changing. The competition today in the world is entirely different from what it was a few years ago. There is competition from the Scandinavian countries and, though not as well known, from Russia. I have heard it said that there is not much competition from Russia because their streams run the wrong way and that when they freeze up it is impossible to drive. That is all very fine. However, I have seen some of the most beautiful pulpwood in the world come in at different seasons of the year from Russia in years past for far less than our cost of production. It was better trimmed and peeled and was in beautiful shape. Hence, we have competition in that regard. Any research that can be done in order to cheapen production is all to the good.

I know that a few years ago many companies had three times as many men in the bush as they have now. Many companies had as many as 1,000 teams and some of them had 2,000 teams of horses drawing out pulpwood, or skidding, which the hon. member mentioned this afternoon. Now some of the same companies have not any horses at all and one third the number of men are moving out the wood. The same thing is happening in general automation, as a result of mechanical advancement, in agriculture and other basic industries.

The hon. member mentioned chain saws. I can remember when the boast used to be made that if a man was strong enough he could, with a bucksaw, cut three cords to four cords of wood a day. Now two smart fellows going through university can take a chain saw and, as my hon. friend knows, can sometimes produce as many as 30 cords a day. Such is the march of progress.

I hope that we shall have a new look at the possibilities of protecting these great virgin forests. We have tremendous forest resources in this country. We are blessed with forest resources such as few other countries have ever been blessed with. The hon. member suggests that perhaps we are cutting too much spruce. May I suggest that spruce will grow and will replenish itself just the same as any other trees do. Chemical science is now finding out that just as good paper can be made from many other sources of wood. A few years ago they did not believe that could be done at all. Some assert that in a few years to come many other species of hardwoods will be used just about as widely as spruce is used at the present time.

Again I wish to compliment this government on the fact that, along with the other things they have done, they have a forward look with regard to the forest industry. I may say that at the present time I think they are looking as far into it as they feel it is constitutionally possible in order to assist this great industry to perpetuate itself and to protect it from fire, insects, fungi and so on. May I suggest that I believe they are on the right road, in the first place with respect to access roads to these regions. We have virgin forests that are not accessible to the present mills. In the next quarter of a century these forests will no doubt have mills in their midst. In the meantime, with access roads from one province to another into these districts in order to protect them when the forests are struck by lightning and fires are started or are infested with fungi, budworms and other insects which destroy the trees, these forests can be accessible through these roads.

[Mr. Rowe.]

While I personally think we have waited a long time to play the proper part in co-operating with the provinces in assisting the forest industry, again I wish to compliment the government for going as far as they have gone in the plans they have for greater support of and co-operation with the provinces in the future. I leave this thought with you, Mr. Chairman. I believe the features they are emphasizing are not so much the research that has been done, as mentioned by the hon. member for Port Arthur, in telling the companies how to handle their labour, how to reduce their costs or, in other words on the side of economics—I believe that is their responsibility—but are more in the direction of protection of the virgin forests in the years that are ahead from fire, insects and other destructive forces.

Mr. Flemming (Royal): At this stage, Mr. Chairman, and before attempting to make any observations in connection with the remarks which have been made by the hon. member for Port Arthur and by the hon. member for Dufferin-Simcoe, I think it would be of interest if I were to give the particulars as to just where this $80,000 which is at present before us for consideration is being spent. I am sure the Minister of Labour would be interested. It is being spent in connection with the winters work program.

I will give to the committee briefly the general location and the general description of what is being done with the funds hon. members are being asked to vote. In Alberta, at Kananaskis forest experiment station, for cutting rights of way for access roads, clearing existing roads and boundary lines, we are asking for something over $6,200, furnishing 25 man-months of labour. In Manitoba, at the Riding Mountain forest experimental area, for stand improvement cuttings to release young white spruce for aspen overstorey, we are asking for a matter of $2,000. At Petawawa forest experiment station, for cutting rights of way for access roads, clearing boundary lines and plantation fire-guards, clearing and preparing land for planting experimental work, various stand improvement cuttings and thinnings, we are asking for a total of $54,350. In Quebec, at Valcartier forest experiment station, for cutting rights of way for access roads, clearing existing roads and boundary lines, we are asking for a matter of $5,450. The next is the Acadia forest experiment station near Fredericton, New Brunswick, constructing access roads, clearing boundary lines and areas for planting, various stand improvements, cuttings and thinnings, a total of $14,000. There is also an additional amount with respect to

the forest at camp Gagetown. The total comes to the $80,000 requested in the item now under consideration.

It was with great interest, Mr. Chairman, that I listened to the remarks of the hon. member for Port Arthur. I know that he comes from a part of Canada which is noted for the fact that the pulp and paper industry, the forest products industry, if you like, plays such an important role in the general well-being of the area. He has indicated to my satisfaction by his observations that he has given the matter a good deal of careful consideration and has devoted considerable time to a study of the various problems of research and the proper methods or proper activities that should be carried on to improve the forests so that this absolutely renewable resource will be maintained in perpetuity. I appreciate his various observations. I cannot, and neither do I think he would expect that I would attempt to solve all the problems about which he has expressed some misgivings. I assure him and every hon. member that we have a fine group of very capable people in the Department of Forestry who are available to every member of the house and every Canadian citizen for the furnishing of any information that will seem to contribute toward the general well-being of every citizen of our country.

The hon. member has indicated that he has read the report of the resources for tomorrow conference and has also read some of the speeches made by one of the economists in the department, including one speech made in Minneapolis, and that this has aroused within his mind a certain degree of confusion. I am sure he would be the first to agree that undoubtedly in the field of experimentation, and to some degree at least that is what research is, we will always continue to have a certain degree of confusion because if we do not have it, research will not be necessary at all. I assure him that I have heard very capable people argue from diametrically opposite points of view with respect to a question concerning forestry practice. The two gentlemen I have in mind at the moment were very successful in their particular field of endeavour, forestry, but they had absolutely opposite views with respect to research and with respect to methods and the extent to which cutting should be carried on.

In connection with my own business activities, when I was a little younger I remember quite well one man who I believe loved every tree on a particular lot to such an extent that we were never able to persuade him to sell us the stumpage from the lot. Finally, however, he decided to do so but he was very stringent in laying down the conditions under which we were to operate. Only trees of a minimum certain size and larger on the stump were to be cut and we were to cut them very low. He imposed all these conditions, which seemed to be a very proper attitude for him to take. We carried out the operation and if we hesitated to follow his conditions he saw to it that we did. We carried out his directions to the letter. The logs were cut in the fall. During the following winter there was a terrific windstorm and the trees he had forced us to leave, expecting that they would grow, become larger and be more valuable, so that he could go out and pat them almost every morning, were all blown down.

This may seem to be a somewhat uninteresting little story, Mr. Chairman, but I mention it to indicate that I do not think there is complete unanimity—in fact, quite the opposite—among all foresters and all operators with respect to the manner in which forests should be handled and cut.

I should like to come back for a moment to the field of research. I am the first to acknowledge frankly that my experience in research is comparatively recent. My research was pretty much in the field of practical forestry from the point of view of one who went into the woods at a very early age and worked there for a good portion of his life. Research, both basic and applied, was something in which I had not had too much experience beyond reading articles in magazines and periodicals.

I do think, however, that we might very well consider that we are not going to get all the answers quickly with respect to the problem of the continuation of our forest resources from year to year, but I believe that we are making progress. I believe that we are finding out things every day that we did not know before. I believe that we are getting information concerning the forests and forest management.

At the present time a conference of forest officials from all over Canada is going on in Ottawa, and I was greatly interested in listening to the remarks of the deputy minister when he addressed these people last Monday morning. He spoke to them about the problems of forest management. Then he said, "In connection with your investigation of proper methods of forest management, remember that you should always keep in mind forest management in the broadest sense of the word and it starts with three p's". He was not referring to any front-bench members of the opposition whose names start with "P" but rather to production, protection and processing. He said that forest management in its best and broadest sense

is needed to stimulate these three desirable results, and that is what will contribute a great deal to the general well-being of all our people and the continuation of the industry.

The hon. member for Port Arthur speaks of forest economics. I agree that it would be folly for parliament to vote money for the purpose of stimulating the production of species of trees for which there is no market or which some other country, by virtue of its more favourable situation with respect to production, might be able to produce at a much lower price. We have to acknowledge that in this day and age we are living more and more in one world than ever before, and every day that goes by we find that this is more the case. Whether or not we like it, we do face world competition. Therefore I should like to say to the hon. member for Port Arthur that I believe it is necessary that the economics be studied quite carefully. We must address ourselves to the production of the type of trees which we can produce with some natural advantages and which will be of a sufficiently superior quality that we will not only be able to hold our own but will have an advantage in the markets of the world.

I am sure he would also be the first to acknowledge that in a free country the officials who devote their time to studying certain aspects of forestry such as the economics of it may express opinions during a public address or anything of that nature which might be construed as not being final. I do not believe this is unnatural. I think it is difficult, if not impossible, to arrive at a conclusion with respect to everything. The fact that our aims are brought out into the light, the difficulties presented; the fact that the end result for which we are striving is mentioned, seems to me contributes something to our general knowledge and are somewhat thought-provoking in their application.

I do not believe the hon. member would be too critical of the fact that a conclusion was not reached with respect to the various problems that were mentioned by the gentleman from our department who spoke at the international conference in Minneapolis. In so far as the matter of applied research versus basic research is concerned, how much time should a department devote to basic research? How much time and how much money should the department spend on something that is going to be of benefit 25 or 30 years hence? The hon. member for Port Arthur pointed out that the department used money to tell the operators how to skid logs. I must confess that I cannot become very enthusiastic about that myself. However, I do believe there is a question to be determined there. I would be the first to acknowledge that I am not certain just what the answer is. I cannot contribute too much to it by way of definition.

I will say, however, to all hon. members that one does not easily forget the habits of a lifetime. In the setting up of the Department of Forestry, I seemed to have the idea that I wanted to refrain from duplicating, at great expense, something which already existed, perhaps in other departments or perhaps in the provinces. If, in the opinion of some hon. members we have been slow, I assure you it is not because of any lack of desire to make progress and contribute something to the well-being of all Canadians, but it is due to the fact we have always had to count the cost of everything before we undertook it. I believe we are nicely on the way, and we are making progress. I think there are many things we are determining from day to day that will be of benefit to the country. In the study of silvicultural methods, forest management and so on, to which I referred in general terms, I think we are making headway.

The hon. member for Port Arthur mentioned the matter of black spruce. Those of us who have been in the lumber business know—and I can see he has given the matter considerable study—that black spruce is a wood of considerable density. We have pulp-mills from Ontario and Quebec coming to New Brunswick looking for black spruce of high density. During the hon. member's remarks he mentioned that today chemists could apply to any kind of wood a chemical treatment that would produce an equally satisfactory basic raw material. But, Mr. Chairman, let me just mention one point, and this goes back to economics again: I am told by the pulp and paper people that a high density spruce will produce 20 or 25 per cent more pounds, more weight, than will the balsam fir, for instance, which we have all over Canada.

To what does this all add up? It simply adds up to this, that the pulp and paper industry, the lumber industry and other industries based on the forests are somewhat complex. However, we are still making progress. Things are being improved. I am one of those who measure improvement by the fact that companies engaged in business are making profit. I am one of those who thinks that profits make good times. I am one of those who believe these extra profits that people have, as individuals and as corporations, all lead to greater expansion and that leads to good times. I am a firm believer in profits. I agree, generally, with the hon. gentleman's observations in connection with

the distribution of these profits. I believe that is a matter which is, generally speaking, taken care of.

I was very much impressed by the remarks of the hon. member for Dufferin-Simcoe. He mentioned that he had been associated with the industry for a long time and had found that it was possible to stimulate business, to keep it going and do the things that would contribute to expansion. During his remarks the hon. member for Fort William used the expression—Port Arthur, I should have said. I was last spring on a visit to Fort William, and I want to say at this time that the hon. member for Fort William was extremely kind to me. He certainly showed me around the town. I regret the fact that I was not able to call on the hon. member for Port Arthur. I made some inquiries, but he was not in the city at that time.

The hon. member used the expression that we should address ourselves to the general proposition that we should crystallize our problems. In my opinion, that is fine as an objective and we should all strive towards it. I do think it is going to take a prolonged time before we crystallize all problems. We are working towards that end and I am sure that, in his capacity, he is working towards that end also. But I am also sure that everybody within the sound of my voice in this chamber is working towards that end, to crystallize all our problems; but I doubt if we shall achieve that objective in our lifetime. However, it will be a lot of fun trying. That is really what we will get out of life. What we will get is this joy of working and joy of trying, with sometimes a great sense of satisfaction in having achieved something. I am sure that is what we are all striving to accomplish.

I appreciate the comments which have been made in connection with the forestry department and I assure all hon. members that if at any time there seems to be any additional information which they do not want to bring publicly to my attention in this chamber, they would be very welcome to visit the department to the see the things that are being done and get a better view of the general objectives of all the capable staff connected with it.

Mr. Robichaud: As has been stated this $80,000 is to provide a further amount for the operation and maintenance of the forestry research branch of the forestry department. The minister has just explained the purposes for which it is required. It is to provide certain winter works programs in different provinces, which will mean about $57,000 in salaries and wages.

We all know that research in forestry has a different purpose. First of all it is aimed at protecting our forests, increasing production and, at the same time, helping in the processing of our forestry products. In doing this it also helps the general economy. It improves conditions throughout the country, but it must also provide some assistance, some relief, to those who are more closely connected with the industry.

We understand the Minister of Forestry has some practical interest and very practical experience in this field, but I would like to refer very briefly to one class of people who are interested in forestry, the small farmers who have woodlots of their own and who must derive a living from their woodlots. I am sure the Minister of Forestry is aware of the statement made by the Prime Minister at Rimouski on February 26, 1958, when he stated that a Conservative government would introduce to parliament a new agricultural price support to provide farmers with a higher income. At that time he suggested that wood might also be brought under the protection of subsidies. The Prime Minister's own words were taken down and reported in the Toronto daily *Star* of February 27, 1958, as follows:

> I hope, and representations have been made, that the advisory committee and the stabilization board (which will administer the act) will give consideration to including farmer-produced woods so they will know the lowest prices they will receive a year in advance.

I am sure the Minister of Forestry knows what the Prime Minister meant when he made that statement.

Mr. Benidickson: The northern Ontario farmers thought that.

Mr. Robichaud: A few minutes ago the hon. member for Port Arthur said the pulpwood companies never had it so good. I am not in a position to discuss that statement at this time, but if such is a fact, I would like the Minister of Forestry to tell us why farmer owners of woodlots in New Brunswick have to be satisfied with $9 to $11 per cord for their pulpwood if their wood is so good for pulp products. Of course the Minister of Forestry may say this is a provincial matter. Probably he would be right in saying so but, if such is the case, then I would like an explanation of the statement made by the Prime Minister in Rimouski to the effect that the stabilization board was prepared to give consideration to including farmer-produced woods so that they would know a year in advance the lowest prices they would receive.

We know that up to the present time pulpwood is not one of the nine products which come under prices support, but we also know that the act gave the prices stabilization board wide powers to include other commodities. It

would be interesting to know what the Minister of Forestry is doing to help that class of farmers who need assistance.

Mr. Howard: This is an extremely important item even though the amount of money is only $80,000. It is important because of the effect which it could have on our forest industry. I say this because of a degree of personal background in the industry itself in British Columbia, and also because it is estimated that 30 to 40 per cent of the economy of British Columbia rests upon the forest industry, that is, the all inclusive forest industry, the sawmill industry, pulp and paper, logging and the like.

I can appreciate the expression used by the Minister of Forestry to the effect that he did not want to rush full-scale into a huge program of expenditures until there was some assurance that there would not be duplication and that it would be beneficial. What we want to ensure in the field of research, whether it be in forestry or anything else, is that it be done on a regular and planned basis. It would be detrimental to the effectiveness of a research program if the appropriations for it were handled on a sort of hit and miss, feast or famine basis, fluctuating from one year to the next depending upon the sharpness of the red or blue pencil which the Minister of Finance uses. This is especially so in the field of so-called pure research as differentiated from applied research. There must be some degree of assuredness of a fairly long period of time, and especially is this so in forestry, so that research projects may be carried on to their conclusion.

We used to have a pretty disgraceful situation in the lumber business in British Columbia when the industry itself did not particularly care whether any trees grew the following year, or 10 years from the time they were logging. In British Columbia there was a policy of clear cutting areas, usually referred to as a policy of cut out and get out. Of course that does not exist any more.

Over the years we have got more and more into the field of forestry management, developing sustained yield programs both by way of tenure with private industry and by the establishment of working circles and areas within which there is a limit to the amount of timber that can be cut and logged over a certain period of time. This sustained yield program and concept being relatively new, it brings with it—and certainly this is the view of management operating under what were originally the forestry management licences—some rather complex problems researchwise. It brings out the attempt to understand what is going to happen 50 or 60 years from now or at the conclusion of the rotation period, whatever the period of years might be.

[Mr. Robichaud.]

This is something which cannot be entirely dealt with by the research facilities of the forest service in British Columbia, or in any other province for that matter. This, of course, is one of the reasons for the establishment of a federal Department of Forestry, the function of which is to work with the various forest services which exist in the provinces so that these branches will function on a co-ordinating, co-operative basis rather than going in different directions.

It is also a specific problem that I think the federal Department of Forestry should be working toward, and undoubtedly it has started to do this. It should be a matter of specific concern over a long period of time, thus making it possible to estimate how much money might be required in the future for the particular type of research program necessary to deal with the complications and difficulties arising out of our sustained yield or forestry management system in British Columbia. I am sure this is also applicable to other provinces.

I think this sort of thing presupposes that there is a large degree of knowledge available; that it really is the application of that knowledge to a particular problem which is important, and then the problem will be overcome. However, I do not think it is as simple as that. Without trying to put words into the mouth of the hon. member for Port Arthur, I think the idea he was seeking to leave with the committee was that, with so many imponderables, we have to attempt as best we can to ensure that if for the sake of argument, we have a 50, 60 or 70 year rotation period, and 50 or 60 years from now we are going to come back and re-log the area we are logging today, the growth will be at its height at that time so that the combination of each yearly increment of wood will be at the limit. We want to ensure that insect infestations, fungi and the like are kept to a minimum and do not interfere with the growth of that particular stand, and that when it is time to log the area we have the best possible type of wood which is fungus and disease free.

I think in British Columbia this is perhaps as important a question as any, researchwise, with which we should be concerned. This applies to the province in the way of research work undertaken by the forest service, and research work by the industry and the federal Department of Forestry.

In the field of research by private industry I think we must realize, without in any way wishing to be misinterpreted—and I hope nobody misinterprets this as being unkind to industry or to any body else—that the motivating factor behind carrying out pure or

applied research is an economic one. I think we find that the research engaged in by industry is directed more toward a greater utilization of the product, less breakage and the like, so that the product which comes out of the mill contains the greatest volume of wood, and waste, and the like, is cut to the minimum. Private industry is concerned in keeping the cost of producing the unit of wood, or pulp or paper, whatever it is, to a minimum. This is the prime field of research in which private industry becomes involved.

Unfortunately we have found that the forest service in British Columbia has in years past not engaged to the extent it should have in the field of research. If I may be permitted, Mr. Chairman, I should like to read one or two brief quotations from the report of the royal commission on the forest resources of British Columbia. This royal commission was headed by the late Chief Justice Gordon McGregor Sloan and the report was published in 1956. The report deals with the question of the research activities of the forest service, and I should like to quote from volume 2, page 559. The late Chief Justice says this:

> The type of study for which this division is staffed and equipped may be defined as applied research; that is, the application of known principles or procedures to local conditions to which the specific reactions can only be determined by direct experimentation and observation.

Then he goes on:

> Research for the sake of knowledge itself and without a practical objective cannot be undertaken with the limited staff and facilities presently available.

Throughout the report there are references by the late Chief Justice to this question of research. Evidence was given by Dr. Orchard, the deputy minister of lands and forests, and other people, to the effect that (1) research is without question one of the most important aspects of a proper forestry program; (2) the provincial forest service had unfortunately up until the time of the commission's report not had sufficient funds at its disposal to deal with this particular question, and in some fields engaged in practically no research whatsoever.

This matter was mentioned by the hon. member for Dufferin-Simcoe; that is, the fields of insect infestation and diseases. I think this should be one field wherein we should concern ourselves to a very great extent. We all know that the spraying of forests with insecticides can have, and has had in the past, a beneficial effect upon the forest because it destroys certain types of insects which have been infesting particular areas, but it has a detrimental effect upon the fisheries in that area. There is this great conflict of social and economic interests as between fisheries resources on the one hand, which are detrimentally affected by forest spraying programs, and the forest resources on the other hand, which are beneficially affected by the same program.

I know that a great deal of research has been undertaken in this field by the Department of Fisheries and some beneficial results have been achieved to the point where it is possible to dilute a certain type of insecticide to a degree which will give maximum forestry benefits and minimum detrimental effects to the fisheries. Unfortunately the problem still exists inasmuch as in British Columbia, at least up until four or five years ago according to the report of the royal commission, the money was not available to carry out a proper, thorough and effective type of research in this field.

This is a field in which the federal Department of Forestry can profitably become engaged and be of very great benefit to the industry, to the people who work in it and to the economies of the provinces concerned. The minister indicated that he is going slowly, and understandably so, to ensure that the research programs being put into effect are not being duplicated by other services or departments. The minister said his department is feeling its way in this field and progress is being made. I hope this provision means that in the years to come there will be a large increase in the sums made available for this and similar purposes—I am not restricting this comment to the vote we are considering at the moment, which is supplemental; I have in mind the main estimates, which amounted last year to a little less than $2 million. I would hope that as a result of the interest shown by the minister and the studies which are going on at the moment there will be a large increase in the funds made available for this field so that the foresters and the people working in the research branch of the federal department can become involved in questions of pure research to the fullest possible extent. My own view is that it should be possible to take such items as the clearing of rights of way, which is going on under this vote of $80,000, the effects of cutting and pruning and the like, and place them under a separate item for separate consideration because, to me, these are two separate branches of endeavour. One involves pure research and the other the question of the work itself.

As the minister has explained, the work provided for in this vote was not done primarily for research purposes but to provide winter work to assist somewhat in bolstering the economy of this country. If we could

make this distinction between the two different types of activity I do not think any confusion would arise about the purpose of the work being done by the research branch of the Department of Forestry. I do not think there is confusion about the approach we might be making in the provision of research, but I think at the present time there is confusion about the end which is sought by the research branch of the department.

I have nothing further to say at this time. I note that this a supplementary estimate, and it is kind of the committee to be so courteous as to allow not only myself but other members who have participated in the debate to stretch their remarks perhaps beyond the strict confines of the vote now under consideration.

Mr. Carter: We have had a most useful and interesting debate on this item. Although the amount involved is relatively small, the subject is an important one. I think that when there is a limited amount of money available for research it is wise that we should establish priorities. I think everyone will agree with the hon. member for Dufferin-Simcoe that priority should be given to the elimination of the wastage of our forest resources by fire, insects and disease. Next to that, I hope, will come some research which will enable us to reap the harvest of mature trees while they are still marketable and before they become rotten and useless windfalls which is the case to a large extent in the forests of my own province.

Forestry is, of course, a most important industry in Newfoundland because timber is perhaps the most important prop in our economy. We already have two papermills and we hope arrangements can be worked out to support another. I should like to bring the minister's attention to another area of research which has not been mentioned and which, perhaps, is not of great interest to the paper industry. The area of research I have in mind, and one which is beyond the resources of the provincial authorities, is the question of forestry and reforestation as a means of soil conservation and soil formation. This question is of tremendous importance to my own riding. Hon. members will understand that most of the settlers in my riding as well as in most of the coastal settlements of my province were settled two or three hundred years ago. The early settlers, our forefathers, knew nothing about the importance of conservation measures or even about the relationship between the preservation of trees and the preservation of the soil. Because of this lack of knowledge they cut down the nearest wood to them to build their houses, their boats, their flakes for drying fish and their fuel. As a result there was tremendous erosion of soil all along our coast line.

The provincial government realizes the importance of woodlots and the supply of wood to the fishermen. It set out a limit on crown lands—a limit three miles from the coast line—within which timber would be available to supply the needs of our fishermen. But, as I have indicated, not only have these limits been denuded but the soil itself has deteriorated to a great extent. The situation thus created is one which deserves attention and we should consider whether it is possible to develop a type of tree capable of repopulating this area and at the same time starting a process of soil formation.

This little limit was of great importance to the small mill owners in my riding and represented an important factor in the economic life of these communities. I hope the minister will find it possible to give some attention to the problem which I have outlined although I recognize it may not appear to be a great one compared with the size of the pulp and paper industry.

May I call it five o'clock?

Mr. Pallett: All day on one item of supplementary estimates.

Item stands.

Progress reported.

Mr. Deputy Speaker: It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motion and public bills.

ADVERTISING

REQUEST FOR ACTION TO PREVENT DISTRIBUTION OF MISLEADING INFORMATION

Mr. J. C. MacRae (York-Sunbury) moved:

That a special committee be appointed to carry out a survey of all aspects of commercial advertising on Canadian television and radio, in certain newspapers and other fields of mass communication, for the purpose of recommending what steps, if any, should be taken to prevent the distribution of fraudulent and misleading advertising to Canadian consumers;

That the said committee consist of fifteen members to be named at a later date, nine of whom shall constitute a quorum;

That the said committee be empowered to send for persons, papers and records; to sit while the house is sitting; to report from time to time; and to print such papers and evidence from day to day as may be ordered by the committee and that standing order 66 be suspended in relation thereto.

He said: Mr. Speaker, while the majority of advertisers, manufacturers and retailers are completely and entirely ethical in this country,

there are still far too many who are selling rubbish by false suggestion, by half-truths, and by words carefully chosen to mean nothing when they are challenged in a court of law. If, for example, we take an old magazine, let us say one of 50 years or so ago, the advertisements in them seem ridiculous to us; I refer to the advertisements and the claims that are made therein. However, somehow or other, we do not seem to feel this way about a current magazine, a television commercial or a radio spot. Many of them are just an insult to our intelligence.

In the dark ages of the art, advertising literally got away with murder. According to history, it was not unknown for an advertiser to exploit a nostrum offering to stop a baby's crying. Apparently that claim was valid for, after swallowing certain of these concoctions, some babies never cried again. Various rugged individuals were induced by advertising to search for symptoms of dire diseases. Sick folks were persuaded to trifle with major maladies. Consumers were educated to consume nonsensical compounds or deadly poisons or habit forming drugs.

Then, as now, the bulk of Canadian business was sound and reputable. Interspersed were the pirates. Some of these freebooters used advertising to further outrageous exploitation of their victims. Such advertising ran all the way from murder, manslaughter and other crimes through felony and misdemeanor to misrepresentation and misleading tricks. However, actually these old ruffians became playful at times. There is the legendary figure of the advertiser who offered at some alluring price "complete sewing machine, all charges prepaid" for $3.95. When the victim received an envelope in return for his money, if he did not open it very carefully he got stuck a second time, for in the envelope was a needle. That was the complete sewing machine.

When business became slack, it was stimulated by fresh offers. If legend is correct, there was the advertising of "Beautifully framed: Genuine steel engraving of Queen Victoria for only a dollar." What the sucker in this case received was a postage stamp. It was a steel engraving; it was Queen Victoria, but the one who got beautifully framed was the purchaser himself. I think perhaps I may be pardoned if I mention another illustration. We all know the old story. Years ago there was advertised a complete killer of potato bugs for $1. It was stated that if you sent $1 in you would get the necessary ingredients to kill all the potato bugs in a 10-acre field. What you received when the parcel came were two blocks of wood with the instructions that, of course, if you placed a potato bug between the two blocks, they certainly would kill that potato bug and all the rest, as well. That is an old story and it is supposedly true.

Today the majority of advertisers—and I cannot stress this enough—are high grade organizations of responsibility and integrity. In its lower fringes, however, advertising is still smeared with much that is definitely unfriendly to consumers. Periodically the shysters get too bold. There are "crime waves" in advertising as there are in other activities. Fraudulent and misleading advertising shatters the public's confidence in publicity. Consumers then become less responsive to all advertising. Apparently there will long be a continued need for clean-up campaigns to give the truth-in-advertising movement another forward surge. Fortunately, much of the ground thus gained is held. The long pull trend of advertising honesty appears to be gradually upward. Therefore, a discussion of misrepresentation in advertising should not —and I hope that my remarks will make this clear—smear advertising as a whole. Consumers can help both themselves and reputable business by continuing to use their influence against shysters.

Today in this country one of the most active groups is the Canadian association of consumers, a group of women who are banded together across all of Canada, and who are trying to protect the consumer in so many different ways. I have had a number of discussions with their president, Mrs. Plumptre, here in Ottawa, and others who have pointed out various attempts by advertisers to mislead.

Mr. Benidickson: Such as sliced bacon camouflaging.

Mr. MacRae: Yes. That is the kind of thing referred to. What legislation have we now? First of all, there is the Combines Investigation Act, section 33C (1) which reads as follows:

(1) Everyone who, for the purpose of promoting the sale or use of an article, makes any materially misleading representation to the public, by any means whatever, concerning the price—

And I stress again "the price".

—at which such or like articles have been, are, or will be, ordinarily sold is guilty of an offence punishable on summary conviction.

But again, Mr. Chairman, please listen to this. Subsection 2 reads as follows:

(2) Subsection (1) does not apply to a person who publishes an advertisement that he accepts in good faith for publication in the ordinary course of his business.

This particular section of the Combines Investigation Act was recently tested in Toronto. I am sure that hon. members recall the case very well as it was the first case in which a firm by the name of Eddy Black was

prosecuted under nine counts of misrepresentation as to price, was convicted under nine counts and fined. The magistrate at that particular point said that the reason the fines were not heavier was that it was the first testing of the law. In fairness I must say that the company has indicated that they may appeal. I am not sure whether they have done so. However, the Combines Investigation Act refers only to price, and this idea, of course, where they advertise a selling price of $5 and that the suggested retail price is $15 but the article is really worth only $5 in the final analysis.

The Criminal Code, section 306, is also pertinent. It reads as follows:

(1) Everyone who publishes or causes to be published an advertisement containing a statement that purports to be a statement of fact but that is untrue, deceptive or misleading or is intentionally so worded or arranged that it is deceptive or misleading, is guilty of an indictable offence—

Subsection 2 states as follows:

(2) Everyone who publishes or causes to be published in an advertisement a statement or guarantee of the performance, efficacy or length of life of anything that is not based upon an adequate and proper test of that thing, the proof of which lies upon the accused, is, if the advertisement is published to promote, directly or indirectly, the sale or disposal of that thing, guilty of an offence—

But again subsections 1 and 2 do not apply to a person who publishes an advertisement that he accepts in good faith for publication in the ordinary course of business.

Finally, as to legislation, we have the Food and Drugs Act. A very fine article was published within this last few months in the 1961 Canada Year Book. The article was written by Dr. C. A. Morrell, director, food and drug directorate, Department of National Health and Welfare, Ottawa. I should like to quote some things he said because it seems to me they are extremely pertinent.

The present Food and Drugs Act is a federal statute with provisions applying to the manufacture, advertising, packaging—and this is what we are discussing now—sale of food, drugs, cosmetics and medical devices anywhere in Canada. There are no similar provincial laws. It seems to me that is one of the weaknesses in our system as to legislation.

Mr. Benidickson: They have no jurisdiction in criminal affairs.

Mr. MacRae: That is so. This federal law exists for the protection of the consumer. Food and drug legislation of some kind has been known in the world for centuries. The first Canadian law of general scope was "An Act to Impose Licence Duties on the Compounders of Spirits and to Prevent the Adulteration of Food, Drink and Drugs". It was passed in May 1874 and became effective on January 1, 1875. In this act the present Food and Drugs Act had its origin. There have been many minor and several major amendments to the law since 1874, the most recent one being passed in 1953. The original law was the first such law of national scope in North America, and there has been continuous enforcement since 1875.

Here are the powers and scope of the national Food and Drugs Act. There is authority provided (1) to establish standards of composition or identity for foods, drugs and cosmetics; (2) to prohibit the sale of foods that are dirty or harmful; (3) to prohibit the sale of drugs manufactured under unsanitary conditions or that are adulterated; (4) to provide standards for all drugs; (5) to require licences for certain biological preparations; (6) to prohibit the sale of harmful cosmetics or those made under unsanitary conditions; (7) to prohibit the sale of harmful medical devices and, (8)—this to my mind is a very important one—to prohibit the advertising, labelling, packaging or processing of foods or drugs "in a manner that is false, misleading or deceptive or is likely to create an erroneous impression regarding its character, value, quantity" and so on.

The act has a clause that prohibits the advertising of any food, drug or cosmetic to the general public as a treatment, preventative or cure for a number of serious diseases and also lists drugs that may be sold only on prescription.

The Food and Drugs Act is a part of criminal law and it lays down standards and other requirements that will minimize health hazards and fraud in the sale and use of these products. It outlines areas of responsibilities for the manufacturers and distributors but it does not guarantee that drugs will meet the quality standards that are expected of them.

The Food and Drugs Act contains clauses and sections with respect to advertising. It is illegal to make false, exaggerated or misleading claims about a drug or to create an erroneous impression as to its composition, character, value, quantity, merit or safety. The work of enforcing this section is considerable since the advertising of drugs is very extensive. Control of advertising is limited to that directed at the general public.

With all these factors in the legislation you may ask whether we are not protected sufficiently. It seems to me, Mr. Speaker, that we do have adequate legislation. I am not a lawyer by profession and perhaps not as well versed in the statutes of our country as some of our legal members, but it seems to me that we do not have the necessary

regulations. There are a number of other members who wish to speak and perhaps they will be able to deal with that aspect.

The other day when the postmaster general of the United States was here he held a press conference. He was asked about the problem of advertising by means of television and radio. Evidently they have the same problem in the United States that we have here. I have complained many times about the fact that we are flooded with television advertising from the United States, much of which seems to me to be in bad taste, much of which seems to be misleading. In some cases the advertising in their magazines is terrible. We do not hear so much about radio advertising in the United States perhaps because we do not listen to their stations.

Mr. Benidickson: Oh, yes, we do. The C.B.C. takes it in big quantities.

Mr. MacRae: I do not think what Mr. Day said in his remarks to the press was reported in any newspaper because I searched for it and could not find it. He said that the situation with regard to radio stations was so bad in the southern states that they actually chased the people concerned right out of the country. However, what they did was to go to Mexico and from there they beam their advertising and progaganda particularly at the southern states, which has created quite a problem.

Mr. Benidickson: The C.B.C. gets more revenue from United States programs than it does from Canadian.

Some hon. Members: Order.

Mr. MacRae: Mr. Speaker, I should like to discuss two or three cases that are very much in point. One is the recent Colgate-Palmolive case in the United States. In their television advertising the shaving of sandpaper was depicted. I will not discuss that further. I know that my seatmate, the hon. member for Halifax (Mr. McCleave), would like to discuss that one. He has had experience in the fields of radio and journalism, and this is a very interesting case.

I might point out the difference with regard to control between Canada and the United States. In the United States the policing body is the federal trade commission, and under the Clayton act and its amendments it seems to me they are doing a magnificent job. There is another aspect which I hope will be discussed this afternoon. I have the material here to do so but because my time is limited I shall leave it to others. I refer to the matter of the advertising and the sale of vitamins to a gullible Canadian public. I hope that two or three hon. members who are doctors will discuss that matter in full. It seems to me that Canadians are being bilked of millions of dollars every year by this racket, and in my view it is nothing but a racket. If a person has a well balanced diet, and almost everyone in this country knows what a well balanced diet is, there is no need for all these vitamins. They are simply swallowed and the system does not absorb them, but people are spending millions of dollars on them every year.

Dr. Monagle, chief of the nutrition division of the federal health department, discussed this matter fully when he addressed the Canadian fruit wholesalers association. If hon. members are interested in this point I would be most happy to discuss it with them.

There is another racket which we have not yet encountered in Canada but which is very prevalent in the United States. It has to do with fall-out shelters. We can expect the same thing to happen here soon because it seems to me we are on the brink of annihilation unless we learn to live with one another. People are beginning to think of their preservation more than ever. It has been noted that in the United States manufacturers of fall-out shelters have been using the fear of people in order to mislead them. I have here a list of 15 different actions on the part of U.S. manufacturers of fall-out shelters for which they have been castigated. They include the making of false or misleading statements, false implications, the use of pictures that give a false impression of the product, down payments that are made to appear as the entire price, phony guarantees, false indications of official government endorsement, claims that the product is custom made, bait advertising, sales promotions involving lotteries, scare tactics and so on. These are things that might be used with regard to almost any product one can name. There are many other practical cases but I do not think I have too much time left. The other day in the Ottawa *Journal* there was a "Brother Juniper" cartoon. I do not know how other members feel about these cartoons but I get a great deal of enjoyment out of the little fellow. In this one he is talking to one of the other brothers and he is saying:

> How come they're always putting new ingredients into toothpaste? Why don't they just put in toothpaste?

I think that is a very sensible idea.

Mr. Benidickson: Instead of towels in breakfast food.

Mr. MacRae: Towels in packages of detergents. The hon. member for Kenora-Rainy River (Mr. Benidickson) has brought up a good point. Detergent boxes are half filled with towels and boxes of breakfast food are half filled with plastic gimmicks for children. There are a number of other points I should like to make. There is the brain

washing that seems to be practised on our children in this day and age by means of advertising. I believe the hon. member for Peterborough (Mr. Pitman) has that point in mind and plans to speak about it. Then there is the matter of the built-in obsolescence in so many of our products that we buy.

Finally, I want to say a few words about radio and television. They provide great entertainment for us but I think we have some false standards. We all see television programs for which some sick comic or some fellow who cannot sing is paid perhaps $50,000 to appear on a program and sing a song or two. Then the sponsor has to sell a million tubes of toothpaste to pay him. We see that kind of thing going on whereas on the other hand a man who is making some contribution to this world of ours has to work five years to earn that much money.

It also seems to me that on television and radio—I suppose those concerned will not take this comment kindly—there are far too many commercials. They are too loud and too long. If they could somehow or other be compelled to have their commercials only half as loud as the rest of the program instead of twice as loud I think we would be getting somewhere.

I hope other hon. members will contribute to this debate. I am deeply interested in this matter. I believe there is a place for such a committee to investigate and to act as a watchdog with respect to advertising on television and radio, magazine advertising and advertising in some of the newspapers of our country.

Mr. Phillips: Would the hon. member permit a question?

Mr. MacRae: Surely.

Mr. Phillips: I listened to his remarks with a great deal of interest and I did not want to interrupt him. Does he realize that if his objection to fraudulent advertising were to apply to political campaigns, the opposition parties could not advertise during the campaign?

Mr. MacRae: That is realized.

Mr. Walter Pitman (Peterborough): I will try to return the debate to more serious matters, Mr. Speaker. I rise to support the resolution of the hon. member for York-Sunbury (Mr. MacRae). I think it is a good resolution. I agree with the method of setting up a special committee of this house. I think that the House of Commons should and can be an educational device by means of which we could scrutinize certain aspects of our society which need scrutiny. This is a sensible and moderate solution. There is no precipitous action suggested—simply a desire to acquire information. If we look below the border, we will see how special congressional committees have done a job in examining crime and various other aspects of American society about which a certain amount of concern is felt.

Then, too, I think this is the right place to be dealing with this matter at the federal level. At one time, of course, we believed that the government had no right to interfere in these matters. Today there are very stringent federal controls in the area of food and drugs to which the hon. member has already referred. We also saw the Combines Investigation Act amended two years ago to include definite control of certain areas. I will not read that as it has already been read. Certainly we in this group have constantly encouraged greater concern by the federal government in this area of advertising. If one reads the record of the banking and commerce committee for 1960, he will find there attempts by members of the C.C.F. group to introduce amendments to the Combines Investigation Act to deal with the problem the hon. member has brought forward.

We are very happy, therefore, to see other political parties are now concerned with this matter of advertising. We are all very greatly impressed with the work of the Canadian association of consumers. They cannot be praised too highly. Of course, it is a private organization and its work is limited by a lack of funds. Advertising is very big business and has no need for more funds. One may look at the general area of advertising and say it has grown out of all proportion to its importance in our society. At one time, advertising was considered to have an informative role; it was to give information about products. Today, with our Madison avenue techniques joining forces with psychology and the hidden persuaders about which we have heard so much, it is a force in our society with which we need to concern ourselves.

Those of us in this house who are concerned about democracy I think must realize that democracy is based upon the ability of men and women to make a free choice. This house must concern itself with any activity that might undermine that freedom of choice. When a medium may be used to divert or damage the kind of democratic society we are creating, then this house certainly has reason to be concerned. We protect people physically from poisons, from bad food, and it may be that we should protect them from mental and spiritual injury as well. Some people may see this as an affront to freedom and say that a man can use his money as he wishes. I say, no. The techniques of modern advertising may very well be a threat to the kind of

society which we in this house are seeking to build. The state must often put on controls to protect that freedom.

We have talked a great deal about freedom of the individual, and this is an area in which we can protect that freedom. Today, of course, advertising has become more and more complex. It was very easy to tell the various types of textiles in the early days. They were either wool or cotton. Today, however, with the synthetic textiles like dacron, nylon and so on, it is very difficult to identify these textiles and the public can be easily misled. I think, therefore, this is a very important resolution, and one which should receive the attention and concern of this house. I do not think I need to indicate the number of areas in which we have seen false and misleading advertising. We have seen it, perhaps, in its most pernicious form, in the area where our young children are concerned. We have seen television programs containing advertising designed to give young children certain ideas by means of which they can put pressure upon their parents. We have seen various methods by which the young people of our country have been used in order to create future markets for these particular products.

The hon. member for York-Sunbury mentioned the whole area of fallout shelters. One could mention a lot of other areas as well, such as toothpaste and cigarettes in which the advertising has been misleading and false. Finance companies which advertise the advantages of borrowing from this company as compared to that are certainly not in any sense guided by the truth. We agree that most of the manufacturers and retailers in this country do not need to be controlled by this kind of legislation. However, there are always a few and, in a sense, we have to protect the ethical businessman from the unethical businessman with this kind of legislation.

I do not wish to take up any more time. There are other members who wish to speak. In conclusion, I would say that all parties here are concerned with the individual and the sanctity of the personality. We may differ on how that personality is to be protected and given a greater opportunity. I think this resolution is an important one, and I think it should commend itself to this house.

Mr. R. J. McCleave (Halifax): I join this debate in the life-long hope that brand X will some day triumph on television; that brand X shirts will turn out to be whiter; that brand X baseball, football or hockey team will beat the New York Yankees, the Winnipeg Blue Bombers or the Montreal Canadiens. I also have a sneaking longing to see Joel Aldred cough some time in the middle of a cigarette commercial, to see a housewife who still has a look of anguish on her face from indigestion after using some form of seltzer and, finally, to see the people who jump about so spiritedly on the beer ads, lurch or perchance even fall down. Of course, these things are not possible under the myth or fiction of present advertising.

First, sir, may I list some of the problems as I see them. These are my suggestions for solutions which are in accord with the very fine resolution of the hon. member for York-Sunbury (Mr. MacRae). I shall also try to be as brief as the last speaker because I realize that a great number of people wish to make a contribution to this most interesting debate.

Mr. Benidickson: No, a great number of people want to have this motion carried.

Some hon. Members: Order.

Mr. McCleave: The first problem is the use in advertising of such words as, "most doctors recommend"; or, "three out of four baseball players use"; or, "four out of five housewives prefer". This is the sort of advertising which appears to be making a factual statement but, none the less, to the uninitiated, will have its appeal.

Then, may I turn to the second problem which is connected with advertising in the visual field. I am thinking of recent golf matches which a television crew had tried to cover in some far-off part of the world. The crew came back but found that part of their film was missing. They had to take the star out to simulate some of the shots. This, of course, was in the realm of fiction, although it really did not alter the outcome of that particular golf match.

Then, the third problem is the T.V. actor who sips coloured water instead of whisky, which is probably to his advantage.

The fourth problem is the quality of detergents, in which shirts are shown whiter than white, or whiter than brand X washed shirts, and sometimes you find that these are actually blue shirts because on television blue shirts photograph whiter than white shirts. Still another problem arises from the food freezer scheme.

A further problem which arose in the United States very recently concerned a shoe company which said its shoes would correct, prevent and relieve a large variety of ailments. I list some of them as indigestion, stomach ulcers, high blood pressure and arthritis, which is quite a claim for any shoe company to make. However, it was persuaded to tone down these rather high-flown claims to a simple statement that its shoes would give relief only for hip pains, swollen joints and ankles.

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Yet another type of problem arose very recently when one large company was giving away a fruit bowl as one of its premiums. It stated that if you sent in so many box tops, or what have you, you would receive this very large glass bowl for holding fruit. It was actually an eight inch bowl which would not hold many bananas, apples, grapefruit or oranges, but the advertising agency substituted a 12 inch glass bowl in its pictures which, of course, would hold that much more fruit and bring that many more suckers into the field to obtain that type of bowl.

Then there is the puzzling case of the advertiser who was left speechless. This was the Gillette Safety Razor Company, to which we all owe a debt in the fall of the year when they bring us the world series. It had been seeking the superior razor blade and, by golly, it did turn up with the superior razor blade, one that could live up to just about any claim you could make for long life and the quality of shave it gave. The company looked hard for words to describe this marvel but over the years it had already used all the words in the English dictionary to describe less superior products.

Mr. Benidickson: You promised to be brief and let us have a vote.

Mr. McCleave: The company finally settled on a simple statement that their new blade was indeed the best for shaving.

The hon. member for York-Sunbury (Mr. MacRae) mentioned that I would probably be dealing with a recent case in the United States involving the Colgate-Palmolive Company which was found guilty of misrepresenting a rapid shaving cream. Perhaps most of us have seen the television commercials already. The cream is applied to sandpaper and then the whole thing wiped off very quickly. However, in actual fact the federal trade commission in the United States found that the purported sandpaper was a sheet of plexiglass to which sand had been applied. Some of the reasoning in their judgment is of extreme interest to this debate initiated by my hon. friend, and so I would like to put it on record. This was a unanimous ruling by the federal trade commission and the gist of the ruling was that television camera trickery must not be used in demonstrating the qualities of a product offered for sale. The ruling accompanied a commission order against Colgate-Palmolive Co., and its advertising agency, Bates and Company, Inc., of New York city, prohibiting them from falsely advertising shaving cream, and from using spurious or false mockups or demonstrations for any product. The commission declared:

> The limitations of the television medium may present a challenge to the creative ingenuity of copywriters; but surely they do not constitute lawful justification for resort to falsehoods and deception of the public. Any argument to the contrary would seem to be based on the wholly untenable assumption that the primary function of television is to sell goods, and that the commission should not make any ruling which would impair the ability of sponsors and agencies to use television with maximum effectiveness as a sales or advertising medium.
>
> Stripped of polite verbiage, the argument boils down to this: where truth and television salesmanship collide, the former must give way to the latter. This is obviously an indefensible proposition. The notion that a sponsor may take liberties with the truth in its television advertising, while advertisers using other media must continue to be truthful, is patent nonsense. The statutory requirements of truth in advertising apply to television no less than to other media of communication—
>
> In this case the pictorial test of Rapid Shave, proving to any doubting Thomas in the vast audience that "it really could shave sandpaper" was the clinching argument made by the commercials. The "sandpaper test" was conducted as the announcer said, "to prove Rapid Shave's super moisturizing power . . ." without this visible proof of its qualities, some viewers might not have been persuaded to buy the product. At least, Colgate-Palmolive must have thought so, or else they would not have emphasized the pictorial "sandpaper test" in the expensive television advertisements of their product.

Finally, in this decision of the federal trade commission comes:

> One need only consider the difference in the impact of these commercials on viewers had they been told, honestly and truthfully, that what they were seeing tested was a plexiglass mock-up, rather than what they thought and were told they were seeing, namely, actual sandpaper. The difference between telling and not telling the truth, could, in this instance at least, have been the difference between an effective and ineffective "sell". In such circumstances, the claim of "harmless exaggeration" is rather hollow.

I shall leave the record with that very brief statement on the principles applied by the federal trade commission, not only quoted from the standpoint of the grounds of the decision but also to show a little bit of the philosophy that can be brought into this field.

Some hon. members have already suggested that it may be said against the hon. member for York-Sunbury that he has attempted to interfere with the freedom of the press. On that point I would like to say that I do not believe freedom of the press is a licence of the press to be irresponsible. As I conceive it, it is the duty of the press to act within reasonable and civilized limits and not to accept any philosophy which would allow certain people, advertisers for example, to use the press to peddle untruths and half truths which may either be very damaging or partly damaging to the public. However, I do not say that in all the cases I have mentioned one should consider taking action against the advertisers.

In health matters, yes. I think it would be a good idea if the committee envisaged by the hon. member for York-Sunbury could

look at the regulations now dealing with food, drugs and medicines, because these are basic to health and perhaps the present regulations are not strict enough. I think we might also have a look at advertising in connection with many matters. We might also have a look at the problem to see whether sections of the Criminal Code dealing with fraud are strong enough.

Over-all, sir, I would support the resolution. I think its spirit is a sound one and I also think it would be welcomed by the vast majority of publishers, the vast majority of people in television and radio, and probably even by the vast majority of advertising agencies themselves. The honest advertising agency is caught in this position; if he does not stoop to the odd bit of chicanery himself, his unscrupulous rivals, who might stoop to photographing a blue shirt to prove that is whiter than the white shirt, will simply pass him by in the race for the consumer's dollar. In other words, a sort of modern day Gresham's law—

Mr. Benidickson: Grosart's law.

Mr. McCleave: As I was saying, it is a sort of modern day application of Gresham's law, that the bad will subvert and debase and eventually drive out the good.

Mr. Frank McGee (York-Scarborough): Mr. Speaker, I am going to confine my remarks on this resolution introduced by the hon. member for York-Sunbury (Mr. MacRae) to a few personal experiences I have had in recent times with television advertisements. The problem facing a parent of three young children, as I have, is serious indeed when it comes to television advertising. I have been asked by my children whether they should believe the advertisements which appear on the television programs they are watching. I started off by trying to explain that most of them were valid and honest advertisements, but some of them were not.

I was then asked, "Well, are they lies?" This is a matter in which young children have a way of embarrassing a parent, because these advertisements were not precisely lies but they were not precisely the truth; they were examples of misleading advertising such as we are discussing this afternoon. Unfortunately a young child cannot appreciate what is known in literature as the "willing suspension of disbelief" and take, as many of us do in our general attitude to advertisements on television—

Mr. Martin (Essex East): That sounds like a Hegelian phrase.

Some hon. Members: Order.

Mr. Martin (Essex East): I did not mean to interrupt the hon. member. I just said that my hon. friend's phrase suggests to my mind some of the philosophy of Hegel.

Mr. McGee: As I was saying before that rather obscure interjection—

Mr. Martin (Essex East): For the benefit of the hon. member for Greenwood (Mr. Macdonnell), who is a scholar, Hegel was a German philosopher.

Mr. McGee: Again, Mr. Speaker, if I may resume, this notion of the willing suspension of disbelief is very difficult to explain to a young child. Therefore my wife and I have instructed our children that they are to assume that the advertisements are not completely true and they are to proceed on that basis. It is clearly impossible for either parent to be called to the television screen to pass judgment on individual advertisements.

I think this is an unhappy commentary on current advertising practices on television, and I should like to acknowledge the point raised by the hon. member for York-Sunbury, that there have been honest, sincere and effective measures taken by advertisers and advertising agencies to restore the public confidence in their various advertising media.

I should like to give the house an example of the unhappy consequences of this type of advertising, particularly the type that appears on children's programs just before Christmas when we are watching for signs and listening for hints about what our children would like for Christmas. We were astonished, and somewhat delighted, to be told at the dinner table one night that our young son Owen, who is aged four, wanted a globe for Christmas. We tried to find out whether he really meant a globe. He described what he had in mind, and sure enough, that was it. We were rather flattered that our young son of four years of age should express an interest in international affairs. We thought, "Who knows; he might become as great an expert as the hon. member for Essex East in future years". Naturally we were somewhat flattered. We said, "Are you sure you do not want some of the other items that have frequently been mentioned recently?" No, that was the only thing he had in mind, and he stuck with it.

As Christmas got closer and closer we attempted to interest him in other things. We were unsuccessful, so on Christmas morning there was a globe for Owen under the Christmas tree. Owen was also in tears on Christmas morning because the notion to ask for this globe for Christmas had been placed in his mind by a television commercial on one of the children's programs, and as soon as we discovered what was the matter my wife

remembered having seen this commercial. It showed a globe all right, but at a certain moment a hole appeared in the globe, and it enlarged and one saw a herd of rhinoceroses. Then the hole closed again and opened up, and there were lions and tigers. Our youngster clearly had in his mind the idea that this globe would have a hole in it through which he could see the wonders of the world.

Mr. Martin (Essex East): It sounds like the Prime Minister's vision.

Mr. Benidickson: Obviously talking this out.

Mr. Pigeon: Mr. Speaker, order.

Mr. McGee: I offer that as an example that perhaps we should have been more alert and perhaps there are disillusionments in every child's mind on every Christmas morning, but it seemed to me that this was a typical example of the suggestions that are placed in children's minds particularly.

I must say one other word about children's programs. I resent the fact that advertisers are using children and instructing them precisely and specifically to go and get mummy or daddy to buy this or that product. One of these days I am rather expecting them to be suggesting that the youngsters should slip a package of this or that into the carriage that mother pushes through a supermarket. Our family manages to get enough extraneous items in the carriage on a trip through the supermarket without that sort of instruction. That is the basic complaint I have with advertising, and particularly television advertising. I hope this resolution will find favour with the house and that the committee can proceed to examine this question and produce some useful results.

There is one other matter I wish to mention in connection with this resolution. I wish to place this information on the record in the hope that when *Hansard* leaves the printing presses and is distributed across the country to the various universities, some mathematicians either in our university communities or perhaps within the government service itself may help in solving a problem which is related to advertising. This is a problem which has baffled me as it has baffled a lot of people who have attempted to find some way in which a person borrowing money and embarking on credit arrangements can determine the annual rate of interest from the pattern of payments and make a fair evaluation as against other sources of credit available to him in our economy.

I should like to place on record in this regard a formula which, according to an article in the *Financial Post* of August 27, 1960, has been approved by the United States reserve board as a method of determining annual interest rates. Perhaps I may now proceed to place the formula on the record. Afterwards I can carry on to outline the suggestion I have to make with regard to it. It is an equation involving five variables, and the component parts are as follows:

i=rate of charge
m=number of payments in one year
n=number of payments to discharge debt
D=charge in dollars
P=principal or cash advance

So the formula is:

$$i = \frac{2\ m\ D}{P\ (n+1)}$$

This formula, admittedly complex, and clearly beyond the capacity of the average shopper to work out during an individual transaction, gives the precise interest rate to several decimal places. But the request I should like to put forward is this; I hope that some talented mathematician may resolve it for us. This formula gives the precise interest rate as an annual rate, but I would be satisfied with a much simpler formula which would arrive at the annual interest rate, give or take 1 or 2 per cent. Having found such a formula, a much simpler one than the one I have just put on record, the next step would be to have some ingenious person evolve a simple arithmetical calculator which would quickly produce the interest rate being charged. I have in mind a simple type of computer such as hon. members will have seen used for other purposes. An arrow is set at a certain figure; another arrow is set at another figure, and then the result is shown at another position in the device. I am hopeful that once the initial work and calculations had been carried out this device could be made out of heavy cardboard or plastic—something which would not involve much expense and something which could be made readily available to every person who has dealings in credit. Then we would have a situation where a person embarking on a small loan or embarking on a purchasing program on a credit basis would be able to tell what the annual interest rate involved in the transaction would be. He would then have a freedom of choice which, I suggest, should be an important ingredient in every shopper's activities, to decide whether it might be better to purchase the item he has in mind through the scheme before him or through some other form of credit, for example, a bank, a small loan company or some other source.

I hope, this problem having been placed on record in *Hansard* and going out, as it will, to the universities and many other circles in our country, that some bright

mathematician may be able to assist this parliament and this country in finding a solution to a problem which has escaped serious investigation for some time.

Mr. G. D. Clancy (Yorkton): It is a pleasure to take the last three minutes of the time of the house in connection with this bill. I was very interested in the speech of the hon. member who introduced this measure. He certainly opened up a wide field. I was also interested in the remarks of the hon. member who spoke about breakfast foods for children. Whether they spill them on the floor or not is his problem.

I only wish to make one brief comment. I do think there is a great deal of misleading advertising taking place in connection with a certain phase of our national life, that is, in the drug business. That is the only aspect upon which I can speak from my own knowledge. When I look at 155 preparations containing five grammes of acetylsalicylic acid, and the different claims that are made for them, ranging from cures for ingrown toenails to falling hair and arthritis, I can only wonder. Of course, they do not say their preparations can cure these troubles. They say "can relieve it" and they are quite right.

I think the Department of National Health and Welfare is doing a good job in protecting the public with regard to the purity of products offered for sale but it is not protecting the public against the effects of a certain kind of audial and visual advertising. Printed advertising, yes; you can read it and you can pinpoint it. "Are you suffering from laryngitis? Send a dollar to box 200". Then all you get is a bottle of 100 Aspirins. O.K., that is possible. Aspirins sell for 98 cents. I am sorry I used a trade name. I should have said acetylsalicylic acid.

I really think we should tighten up with regard to some of this advertising. I challenge the hon. member for Essex East, who used to be the minister of health, to say what he did to protect the public in this respect. He did nothing.

May I call it six o'clock?

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

HOUSE OF COMMONS

Thursday, March 1, 1962

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF U.S. REPRESENTATIVES

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I am sure the house will permit me to make reference to the presence in the gallery today of distinguished representatives of the Senate and House of Representatives of the United States who are here for the purpose of attending the meeting of the Canadian-United States interparliamentary group. I think, for the purpose of the record, I should place on *Hansard* the names of the various representatives who are here.

The Senate is represented by Hon. George D. Aiken, chairman; Hon. Roman L. Hruska; Hon. Pat McNamara; Hon. Mrs. Maurine B. Neuberger and Hon. Claiborne Pell. The representatives of the House of Representatives are Hon. Cornelius E. Gallagher, chairman; Hon. Laurence Curtis; Hon. William S. Broomfield; Hon. William T. Murphy; Hon. Robert N. Giaimo; Hon. John M. Slack, Jr.; Hon. Harold T. Johnson; Hon. Daniel K. Inouye; Hon. Stanley R. Tupper who, by the way, is a descendant of Sir Charles Tupper, one time prime minister of Canada; Hon. Howard W. Robison and Hon. James Harvey.

I extend on behalf of this house, and I am sure the members of the opposition will join with me, the warmest congratulations and good wishes. Indeed, the hon. member for Laurier (Mr. Chevrier) will recall that in the month of January, 1943, for the first time in our history members of the congress of the United States met members of the Canadian parliament and members of the various parliaments of the commonwealth here in Ottawa to discuss those matters that particularly affected the welfare of our respective nations. He knows the close relationship that prevails and which we all hope will continue in the years ahead between the United States and Canada and the other members of the commonwealth.

Then in 1958 this organization had its beginning. As I look back on that beginning I think generally speaking it will be recognized that this interparliamentary group embarked on an uncharted course which held out almost as much prospect of adventure—some predicted misadventure—as did that trip into space the other day by Colonel Glenn. I believe that this interparliamentary group, and what it means in co-operation between our nations, is as important to all of us as any interplanetary activities. In its common dedication to the things in which we believe we are united in freedom.

These gatherings which alternate between Washington and Ottawa provide channels of communication that otherwise would not be available between the lawmakers of our two nations. These meetings permit a review of the ever widening range of our common interests, and these discussions assist us in our consideration of the solution of these problems.

One could say a great deal, but I think the message I am trying to convey could be summarized in a few words. While from time to time we have our differences, the things that unite us, being of the spirit, are becoming stronger with the passing years. What we need is infinite patience, with a full realization of the problems of each other, to the end that in mutual understanding, forbearance and patience we shall strengthen the bonds between our nations and thereby show the rest of the world what can be achieved when independent peoples, each maintaining their own sovereignty, are prepared to join together in peace for the welfare of their respective countries and, indeed, the welfare of all mankind.

Hon. Lionel Chevrier (Laurier): I would like to echo the words of the Prime Minister in welcoming the members of the Canada-United States interparliamentary committee to Canada. This has been an excellent committee, which has done work of a practical and permanent nature. There are unquestionably important problems to solve between our country and the United States, problems which may cause difficulty and friction; but when we look at what has transpired in the past, and particularly at what took place during the war years between our two countries—I have in mind now our balance of trade payments, the construction of the Alaska highway and the building of the northwest passage—I can come to no other conclusion but that when men of good will and understanding want to solve problems, they can do it. I can remember, too, in those years when there was some difficulty about receiving into the Yukon certain members of the United States army

U.S. Representatives in Gallery

because of war regulations. Those members were admitted into Canada by means of an order in council which exempted them under the title of "distinguished citizens".

I should like to mention the St. Lawrence seaway as another example, sir, of the manner in which our problems have been solved, because I had some little experience with that project. There we had difficulties of construction, of costs and of plans and specifications in the international section of the river. I can pay no greater tribute to those from the United States who sat on the opposite side of the table from us than refer to the manner in which they helped, because of their understanding and co-operation, to solve many difficult problems.

I also commend you, sir, for the manner in which you have presided over the deliberations of the Canadian section of this committee and I wish you and those who are associated with you well in your deliberations.

(Translation):

Mr. Speaker, I would be remiss if I did not say a few words in my mother tongue to show the Canada-United States delegation that the house is bilingual.

Naturally, I address myself to all members of the committee but especially to Senator Aiken of Vermont, whose state is right next to the province of Quebec with which it has been maintaining good relations for many years.

I ask him to pay our respects to our Franco-American compatriots who live not only in Vermont but in all the states of New England.

To him and to all his distinguished colleagues, I offer our best wishes.

(Text):

Mr. Frank Howard (Skeena): Mr. Speaker, as one of the members participating in the particular set of meetings that are going on, speaking on behalf of the members of the New Democratic party may I associate this group wholeheartedly with the remarks of welcome by the Prime Minister and the hon. member for Laurier to the distinguished senators and members of the House of Representatives of the United States who are with us for the sixth meeting of the Canada-United States interparliamentary group.

I know that our members are unanimously of the opinion that it is impossible to find words to express our appreciation for the hospitality that has been shown to us on previous occasions. The ideas expressed by representatives of the United States are, from our point of view, excellent and the discussions are free and open. Frequently their ideas have merit. Sometimes we differ with them and I am sure that sometimes they differ with our points of view, but I think agreements which are treasured the most are those agreements which are reached after the expression of differences of opinion.

This interparliamentary group affords an opportunity for the free, frank and fruitful discussion of problems of mutual concern to our respective countries. We trust that this visit will not only increase mutual understanding, but will be enjoyed and remembered by our visitors from the nation to the south. We know that our goal and objectives are the same, namely peace, prosperity and happiness not only for ourselves but for all nations of the world. We are sure these discussions will tend to move us more quickly toward these goals.

RAILWAYS, CANALS AND TELEGRAPH LINES

Third report of committee on railways, canals and telegraph lines—Mr. Howe.

NATIONAL DEFENCE

NUCLEAR WEAPONS—STATEMENT BY U.S. SECRETARY OF STATE

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to ask the Prime Minister if he has any comment to make on the statement made this morning by Secretary of State Dean Rusk that the United States is willing to work out arrangements for joint control of nuclear weapons in Canada in a manner fully consistent with national sovereignty.

Right Hon. J. G. Diefenbaker (Prime Minister): I shall have to give study to the remarks of Secretary Rusk, and when I have done so I will make a report to this house.

Hon. Paul Hellyer (Trinity): A supplementary question. Mr. Rusk indicated that the United States had discussed such arrangements with other governments, but he did not mention any discussions with the Canadian government. Could the Prime Minister say whether discussions were held on this subject between the two governments and, if so, why they have been discontinued?

Mr. Diefenbaker: The hon. gentleman was here yesterday, and I am sure he had a complete answer to everything he is asking today.

Mr. Hellyer: Not at all. That is why I should like to press the question again.

Some hon. Members: Order.

ARCTIC ISLANDS—REPORTED SELECTION OF LANDING STRIPS BY U.S.

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to address a question to the Minister of National Defence. Will the minister comment on a Canadian Press statement emanating from Ottawa yesterday to the effect that the United States has picked out some 50 emergency landing strips in the Canadian Arctic islands for military and civilian planes? Is the statement factual, and are there any conditions governing the use of these fields?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I saw the article referred to but have no official information in that regard. I asked for a report from my officials, but have not yet received one.

TRADE

WHEAT—INQUIRY AS TO PAYMENT BY CHINA

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): I should like to ask the Prime Minister a question which is really supplementary to the question I asked yesterday on the subject of wheat sales to China. In the latter part of his reply to my question the right hon. gentleman said:

> The first three drafts under this credit arrangement were payable in the latter part of February, and all of them have been honoured on the scheduled date.

I wonder if the Prime Minister would inform the house as to the amount of those drafts in dollars and cents.

Right Hon. J. G. Diefenbaker (Prime Minister): As I recollect it, there were three drafts amounting to some $2,900,000, those payments becoming due toward the end of February. In so far as March is concerned, there are a number of drafts which total some $8,050,000.

CUBA—REPORTED STATEMENT BY EXTERNAL AFFAIRS MINISTER

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to address a question to the Prime Minister. Has the Prime Minister any comment to make on the statement reported to have been made by the Secretary of State for External Affairs at a Progressive Conservative meeting in Toronto, that Canada's policy with regard to trade with Cuba would come under fire at the meeting of Canada-United States parliamentarians now under way?

Right Hon. J. G. Diefenbaker (Prime Minister): After the very congenial circumstances of a few minutes ago, I am sure that nothing will come under fire.

Mr. Chevrier: I have a supplementary question to ask the Prime Minister, having to do with the fact that we are now on orders of the day and not on motions. The supplementary question is this. Does the Prime Minister feel that the statement made by his colleague—and I understand that the hon. gentleman shook his fist—to the effect that Canada would stick to its position, is the kind of opening gesture that will help this meeting.

Mr. Diefenbaker: Mr. Speaker, those of us who know the Secretary of State for External Affairs, who happens to be absent today, know that he does not require the shaking of a fist in order to emphasize a position.

Mr. Chevrier: I would appreciate it if the Prime Minister would answer the question.

Mr. Speaker: Order.

CANADIAN NATIONAL STEAMSHIPS

REQUEST FOR REPORT ON SALE OF VESSELS TO CUBA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address an appropriate question to the Minister of Transport. In view of public interest and reported recent developments in the case of the Canadian National Steamships vessels which were sold to Cuban interests during the Batista regime, which failed to meet their obligations, leaving the ships to rot in Halifax, would the minister bring us up to date on the latest developments and state specifically whether the deal has now been completed to the government's satisfaction and whether any of the vessels are now in use?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the fleet of eight vessels was sold in August, 1958 to the Banco Cubano del Commercio Exterior of Havana, Cuba, for $2,800,000. The agreement of sale provided for an immediate cash payment of $560,000 with the balance payable in five equal annual instalments of $448,000, with interest on the unpaid balance at 5 per cent per annum. The instalment due in August, 1961 was met in full and the principal outstanding under the agreement has been reduced to $896,000. This balance plus interest continues to be covered by a letter of credit guaranteed by the Bank of America, New York.

Inquiries of the Ministry

The ships having been sold, the government has no knowledge as to whether they are now in use.

SHIPPING

NOVA SCOTIA—LEAKAGE OF OIL FROM GROUNDED FREIGHTER

On the orders of the day:

Mr. L. R. Crouse (Queens-Lunenburg): Mr. Speaker, I wish to address a question to the Minister of Transport. I regret not having had time to give him notice, so I would ask him to accept this question as notice. Would the Minister of Transport tell the house what arrangements are being made to prevent 100,000 gallons of bunker and fuel oil from leaking out of the freighter *Suerte* grounded at Three Fathom harbour, which could do great damage to the sea birds, beaches and inshore fisheries in that area?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I know that my department has been in touch with the owners and the underwriters of the vessel. I shall be pleased to tell the house tomorrow what progress has been made in these circumstances.

HOUSE OF COMMONS

WATERLOO SOUTH—INQUIRY AS TO BY-ELECTION

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Prime Minister. Inasmuch as we understand that March 8 is the last day for the issuing of writs for a by-election to be held in the constituency of Waterloo South, would the Prime Minister indicate to the house what plans are afoot in this regard?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as the hon. gentleman pointed out, on March 8 a decision as to the date of the by-election will have to be made and an order in council passed accordingly. That will be done.

Hon. Paul Martin (Essex East): A supplementary question, Mr. Speaker. In view of the fact that the Prime Minister now acknowledges that a decision will have to be made, will the Prime Minister not say that this will be a very difficult thing for this government to do?

Mr. Diefenbaker: Mr. Speaker, I have seen on the part of the hon. gentleman in the last few days less demand for an election than in the past.

Mr. Martin (Essex East): Bring one on. Let us have one.

Mr. Chevrier: Fix the date.

[Mr. Balcer.]

INQUIRY AS TO CHANGE OF NAME OF LIBERAL PARTY

On the orders of the day:

Mr. Frank McGee (York-Scarborough): Mr. Speaker, I have a question for the acting house leader. In view of the recent events which resulted in a change in the seating arrangements in this house, I wonder whether the house leader has received a request from the Leader of the Opposition to change the designation of that party to the Socialist Liberal party?

Mr. Speaker: Order. The question is not one related to the administrative responsibilities of any minister. In view of the fact that it has been asked, I do not know whether the hon. member for Laurier was rising in order to answer it or to comment.

An hon. Member: The Ottawa *Journal* could answer it.

Hon. Lionel Chevrier (Laurier): I was rising to do two things, Mr. Speaker. The first was to comment on the statement made by the hon. member, to the effect that we have never changed our name on this side of the house.

An hon. Member: You will after the next election.

GREETINGS ON ANNIVERSARY OF PATRON SAINT OF WALES

On the orders of the day:

Mr. H. F. Jones (Parliamentary Secretary to the Minister of Veterans Affairs): Mr. Speaker, I rise on a question of privilege. In order to show the affinity and affection which those of Welsh descent feel toward all other minority groups may I say this.

(Translation):

On behalf of all people of Welsh descent, I should like to extend my best wishes to all hon. members and to our distinguished visitors on the occasion of St. David's day.

(Text):

To complete my salute to St. David may I say to all, *iechyd da.*

PRODUCTIVITY COUNCIL

STATEMENT ON REPORTED REFUSAL OF REAPPOINTMENT BY E. P. TAYLOR

On the orders of the day:

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): Mr. Speaker, yesterday the hon. member for Peterborough directed a question to the Minister of Trade and Commerce arising out of a newspaper announcement to the effect that Mr. E. P. Taylor had declined reappointment to the national productivity council. The hon. member asked:

Can the minister indicate this gentleman's reasons for not accepting reappointment?

It was with great reluctance that Mr. E. P. Taylor accepted an appointment to the national productivity council last year, and it was agreed that his appointment would be for one year only. Mr. Taylor has indicated in a letter to the chairman of the national productivity council that, were it not for the fact that circumstances beyond his control make it impossible for him to devote the time required to the affairs of the productivity council, he would be glad to let his name stand for reappointment.

It is well known that Mr. Taylor has many commitments in other directions, and it is therefore not possible for him to devote the necessary time.

(Translation):

PUBLIC SERVICE

INQUIRY AS TO APPOINTMENT OF UNDER SECRETARY OF STATE

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I should like to direct a question to the Secretary of State even though it was put to him some time ago.

Since the former under secretary of state, Mr. Stein, resigned a few months ago, does the Secretary of State intend to appoint a successor in the near future or, at least, before dissolution of parliament?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, this matter does not come exclusively under the jurisdiction of the Secretary of State. At any rate, I can inform the hon. member that the cabinet is aware of the situation and that the matter will be settled shortly.

(Text):

TRANS-CANADA AIR LINES

REQUEST FOR REVIEW OF ANNOUNCED FARE INCREASES

On the orders of the day:

Hon. Lionel Chevrier (Laurier): The question I wish to ask the Minister of Transport is this. Will he refer to the air transport board the question of increased tariffs and tolls which Trans-Canada Air Lines has announced it will put into effect soon with reference to its routes?

Hon. Leon Balcer (Minister of Transport): As I announced some time ago, Mr. Speaker, T.C.A. would be in the same position as any other carrier in Canada as far as the air transport board is concerned. T.C.A. has filed its new rate increases, and they are at the present time being reviewed by the air transport board. If for one reason or another the air transport board does not feel that the rates are adequate or are the proper rates, it has until April 30 to refuse or accept those rates.

SUPPLY

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

The Chairman: House again in committee of supply, further supplementary estimates for the fiscal year ending March 31, 1962; vote No. 635, Department of Forestry. Shall this vote carry?

Some hon. Members: No.

Mr. Hellyer: Is the minister not going to make the customary statement?

Mr. Stewart: He has made it already. Where have you been?

The Chairman: Order. The item that was under consideration last night was item 635, and so far there has been no notification to the Chair of a change of programs.

Mr. Hellyer: Last evening the government leader in the house came to the opposition and said that the business before the house today would be consideration of the estimates of the Department of Public Works.

Mr. Winch: The main estimates.

Mr. Hellyer: This information was transmitted to the members of the opposition, and that is the work for which they have prepared for this day.

The Chairman: In view of the explanation given by certain members of the house, I take it that it would be in order to go ahead to this item in the estimates of the Department of Public Works for the year ending March 31, 1963.

DEPARTMENT OF PUBLIC WORKS

1. General administration including a grant of $2,000 to the Canadian good roads association, $11,098,000.

The Chairman: Shall the vote carry?

Some hon. Members: No.

Mr. Bourget: Is the minister going to make a statement?

Mr. Walker: If the opposition is anxious for me to do so I shall be very happy to oblige.

Mr. Hellyer: If we could get another performance like the one we had the other night, it would be very amusing.

Hon. D. J. Walker (Minister of Public Works): May I describe briefly first the world of housing as we understand it in this House of Commons. There can be no question of

the very heavy and continuing impact of the house building and related industries on the national economy, an impact that has been revealed in all its sharpness and clarity by the giant forward steps taken by this government during the years since it assumed office in June of 1957.

It is not my purpose or intention today to review in detail all the developments that have taken place during the past four and a half years as a result of the federal government's interest in and concern with housing. Even a simple chronology of events, a straight recital of new legislation, policy determinations and procedural adjustments, would take more time than I have at my disposal. The events have been many in number and forward thinking in nature, and have arisen out of our forthright common sense approach to the complex problems that have confronted us and out of our ability to adapt to meet changing circumstances. And woven into the whole fabric of housing, bright and chromatic in its colours, has been our resolute determination to assist those Canadians whose needs are most urgent, namely the lower income families of our nation and our senior citizens.

I shall have more to say about these considerations a little later in my remarks. In searching for a means by which I may most vividly impart to hon. members something of the drama of housing in Canada, I came across some statistics that can be readily interpreted and easily digested, even by the hon. member for Trinity. I cite the figure of $3,271 million.

Mr. Hellyer: Mighty big figures.

Mr. Walker: They are, and perhaps if you come to me later I will explain them to you.

Mr. Hellyer: I hope you will have found out in the meantime.

Mr. Walker: This is the dollar value, since 1957, of National Housing Act mortgage loan commitments by the approved lenders and by Central Mortgage and Housing Corporation, N.H.A. loans for municipal sewage treatment projects university housing, the federal share of costs of public housing, both rental and land assembly, and of urban renewal studies and grants for slum clearance. This is, of course, a staggering sum, even in these days of astronomical figures. It serves, however, to set the scene in a new and perhaps different dimension, to reveal the effectiveness of the amended National Housing Act as a legislative instrument, and to emphasize the significant role of the house building industry in the economic and social life of the country.

[Mr. Walker.]

Of this amount of $3,271 million, more than $1.6 billion—for my friend, that is one billion six hundred million dollars—was invested in national housing and related requirements in Ontario, while Quebec's share was $581 million. The balance—if hon. members of the C.C.F. party or what is left of it would be good enough to either retire to the smoking room or pay attention, I would be able to carry on.

Mr. Fisher: Mr. Chairman, I do not think we have to take that kind of insult. We have been sitting here listening.

The Chairman: Order. I think there has been a lot of coming and going throughout the whole house. However, it appears as if all hon. members are now settled down and are keen on hearing the minister.

Mr. Howard: On a point of order, Mr. Chairman, may I indicate to the minister that, one, I do not smoke and, two, he is usually not worth listening to anyhow.

Mr. Walker: I want to thank the hon. member. He has my permission to retire. As a matter of fact we would all be very pleased if he did.

Mr. Peters: Get on with your jokes.

Mr. Walker: I would be glad to.

The Chairman: I would ask the hon. members to be silent.

Mr. Walker: There must be five of you left.

Mr. Peters: You will be the one who is leaving.

The Chairman: Order. The minister may continue.

Mr. Walker: Thank you, Mr. Chairman. For the benefit of those who were not paying attention, perhaps I may review what I said. Of this amount of $3,271 million, more than $1.6 billion was invested in N.H.A. housing and related requirements in Ontario, while Quebec's share—of course, this does not interest the new party representatives—was some—$581 million.

Mr. Peters: Why don't you make your speech to the country?

An hon. Member: Keep quiet.

The Chairman: Order, please. The minister has the floor, and I am sure everyone will have a chance to make whatever remarks he deems appropriate when the time comes.

Mr. Walker: The balance, Mr. Chairman, was roughly divided as follows: British Columbia, $256 million; prairie provinces, $700 million and the Atlantic provinces, $130 million.

Now, what happened in the field of housing in 1961? In the first place, 125,577 new dwelling units were started during the year. This was much more than we anticipated, and was an increase of 15.3 per cent over the 108,858 starts reported in 1960 and brought the total starts during the five year period, 1957-1961, to nearly 663,000 new dwellings.

Mr. Martin (Timmins): Go paddle your canoe.

Mr. Walker: I understand you are becoming a capitalist in playing golf whenever the opportunity presents itself.

Mr. Peters: What about you?

Mr. Walker: Not the hon. member for Timiskaming; I am referring to his friend the hon. member for Timmins beside him. The hon. member only tries to play.

Mr. Fisher: You had better go back to your canoe.

Mr. Walker: You know, Mr. Chairman, on a matter as serious as this I would think hon. members, if they refuse to leave the hall, would at least be attentive. This interests at least the 2.5 million Canadians who are now in new homes as a result of the advent of the Diefenbaker government.

Mr. Martin (Timmins): May I speak to a point of order, Mr. Chairman? Will you inform the minister that we happen to be in the house and not in a hall?

The Chairman: I think the minister is probably aware of that.

Mr. Walker: I can think of one kind of house the hon. member should be in.

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

Mr. Walker: I am not going to raise my voice again. There were 115,607 units completed in 1961. The total was slightly below the corresponding figure of 123,757 for 1960, a decline of 6.5 per cent. This year's completions brought the aggregate since 1957 to some 650,000. This means that one out of every six Canadian families is living in a new house built since 1957. My hon. friends can call that anything they like, but it is a magnificent record.

Some hon. Members: Hear, hear.

Mr. Walker: What effect have these high rates of production had on the market for new housing? As I was able to tell you last September in introducing a measure to amend the National Housing Act, the answer is that there continues to be a satisfactory balance between production and consumption; and that in spite—I am glad to see my hon. friend is here—of the impact of a volume of new house construction of this magnitude, output has kept pace with demand but has not been permitted to exceed it. At the end of 1961 the number of completed and unoccupied houses and duplexes in 36 major Canadian urban centres was 4,223, down 5.5 per cent from the figure for December, 1960.

Responsible in part for this encouraging state of affairs is government policy which, while not denying an N.H.A. mortgage loan to any eligible prospective borrower, has controlled the use of public funds for speculative purposes by the approval of C.M.H.C. loans to merchant builders only when the houses for which they are intended have been pre-sold to satisfactory purchasers. As my hon. friends will appreciate, this really worked out well, as the figures must indicate.

Mortgage funds required to finance new National Housing Act residential construction were in substantially better supply during 1961, with life insurance and trust and loan companies continuing to meet the bulk of the need. Of particular interest was the spirited participation of trust companies, whose volume of N.H.A. lending, in terms of dwelling units financed, was almost three times that of their previous record year in 1958, also during the regime of the Diefenbaker government.

Nevertheless, in the virtual absence of loans from the chartered banks the flow of N.H.A. mortgage money was not wholly adequate, and it was supplemented as required by public funds in the form of residual loans by Central Mortgage and Housing Corporation, for which there was a steady demand throughout the year. As hon. members are aware, it has always been our policy to encourage a maximum investment on the part of approved lenders in national housing mortgage loans. Consistent with this policy it has been necessary at the same time to maintain the lowest possible interest rate so that borrowers do not find themselves confronted by unnecessarily excessive costs for the money they have obtained.

I respectfully submit that both these objectives have been attained. Throughout 1961 the N.H.A. interest rate was at a level sufficiently high to be attractive to the approved lenders, but when a continuing flow of new funds seemed assured, at least for the foreseeable future, and the borrowing rate of the government had decreased slightly, it appeared reasonable that the N.H.A. interest rate should be reduced. This action was taken on November 6, 1961 and at the same time interest rates on loans for limited dividend housing, for municipal sewage treatment projects, and for university residences were also lowered.

It is interesting to note that during the year 1961 life insurance, trust and loan companies

were responsible for loans aggregating $452 million, or 62 per cent of total commitments. This figure compares with $232.2 million or 59 per cent of total commitments in 1960. In addition, central mortgage made $271.3 million available from public funds, compared with $161.1 million in 1960. That is a great participation for the crown corporation, $271.3 million, and in all some 64,000 new dwelling units were financed under the N.H.A. Act in 1961. Of these about 63,000 were built with mortgage loans, 38,500 by approved lenders and 24,500 by the corporation. Federal-provincial partnership arrangements accounted for the balance. In 1960 only 37,000 units were financed under the act, just one half of last year's volume.

It is readily apparent that the physical product of the N.H.A. mortgage loans must be, and is, highly significant in terms of employment in the building trades. You may recall that last fall I said each new dwelling unit financed under the N.H.A.—and this is so important, and has been so important in the last five years, in getting Canada out of the recession—involves an average of two and a half man years of employment, on and off site. On this basis N.H.A. lending in 1961 was responsible for more than 160,000 man years of employment, and of these, federal direct lending for more than 61,500 man years.

I believe, Mr. Chairman, you will agree this is a contribution in which we can all justly take pride and satisfaction. Of the total number of housing units built, if we take a rough figure of 125,000 with two and a half man years for each of them, you can see we have an astonishing number of men getting employment in our housing industry. I might add that not content with merely adding to the central mortgage employment opportunities, I and the officials of central mortgage are working closely with my colleague the Minister of Labour to devise new ways and means of attaining an even higher rate of employment in the building industry, particularly in the winter months.

I have told the story of the N.H.A. mortgage lending in 1961 in some detail, and I should now like to make just a brief reference to conventional loans. I am informed that conventional mortgage lending on new housing by the lending institutions was less in 1961 than in the previous year, when loans were approved for 42,000 dwelling units, amounting to $307 million. However, there was a substantial increase in conventional mortgage loans by these lenders on existing dwellings and on non-residential property, with the dollar value rising to $600 million from $484 million in 1960.

A few minutes ago I referred to our unfailing concern with housing for lower income families and for elderly persons. This concern was again translated into positive action on several fronts in 1961. For example, some 3,300 units of rental accommodation were financed under the limited dividend provisions of the N.H.A., more than double the number approved in the previous year. Of these, about 2,700 were for lower income families and approximately 600 for our senior citizens. All the activity in these sectors took place in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

In 1961 production of limited dividend rental accommodation brought the aggregate since mid-1957 to more than 18,600 dwelling units and the total loans to an excess of $143 million. I believe you will agree, Mr. Chairman, that this constitutes a satisfying achievement, not merely in terms of numbers but in the knowledge that thousands of Canadian families, husbands, wives and their fine children, and many elderly persons, have been assisted in their search for improved living accommodation, and this after all is the primary consideration and the *raison d'être* of the Diefenbaker government.

Nor must we forget the assistance that has also been afforded to borrowers under the act as a result of amendments approved in 1960, when the ratio of loan to lending value was increased to provide higher loans and lower down payments. The maximum N.H.A. loan by regulation was raised and the permissive repayment period was extended, but even that is not the full story. In partnership with the provincial governments we were again active in the field of public housing and in the realm of urban redevelopment, and we are very, very happy to have Ontario taking such an active interest in the public housing program and very happy to have the assistance which their new program promises. In 1961 according to preliminary statistics—and here I should again stress that few of the 1961 figures I am able to provide today are final—the construction of more than 900 dwelling units was approved, and the federal share of public housing expenditures totalled nearly $8 million. This brought to almost 4,000 units the number approved since mid-1957, and the total federal share of expenditures in this respect to more than $54.5 million.

Under similar arrangements the development of 855 building lots for sale to home owners was approved during the year, bringing the total number to more than 4,500 since 1957, and the federal share of expenditures required to develop the lots has exceeded $13 million in the same period. Federal contributions toward redevelopment of blighted areas in our cities totalled more than $5 million in 1961. This figure represents federal grants,

less one half of the estimated recovery from the disposal of the cleared lands.

In 1961 grants, which included one of more than $3.6 million to the city of Winnipeg and one in excess of $1 million to the city of Montreal, brought federal contributions since 1957 for these purposes to more than $18 million. I should also mention that grants amounting to some $600,000 have been made since 1957 to municipalities for urban renewal studies, and most hon. members who represent urban districts must know that their particular localities have benefited as a result of this. Of course these urban renewal studies are intended to identify substandard areas and to form proposals for the solution of problems attributable to blight.

I should now like to review briefly two other highly successful provisions of the National Housing Act, two new concepts that were added, hon. members will recall, late in 1960. The first of these has to do with loans for municipal sewage disposal projects. By the way, this is an idea that I received from the backbenchers on the government side, from whom I have obtained so many other ideas on many other subjects.

The primary purpose of this program is, of course, to assist in resolving the problems of water and soil pollution, which had reached alarming proportions in many parts of Canada. Accordingly the government introduced, and parliament approved, legislation providing loans of up to two thirds of the cost of a project; and to encourage municipalities to tackle the job without delay, 25 per cent of the loan and of the interest paid or accrued will be forgiven if the project is completed on or before March 31, 1963, or on that proportion of the project which is completed by that date.

Last year, the first year of operation, no less than 115 municipalities in all our ten provinces obtained 145 loans in an amount of more than $40 million to assist them in the construction or extension of trunk sewage systems or sewage treatment plants. At the year end there were also on hand some 245 preliminary inquiries—think of that—representing a loan potential of an additional $80.6 million.

I am sure the hon. member for St. Denis must regret that the Postmaster General is out of the chamber for a few moments. As another indication of the response to the legislation, loans were made to 78 communities—we will be glad to have the hon. member back—of less than 5,000 population, and of these 63 have less than 2,000 population and 50 less than 1,000. In most of these smaller communities—

Mr. Deschatelets: If you were more interesting you would not have an empty chamber.

Mr. Walker: I count a total of nine Liberal members. The hon. member is quite right in drawing my attention to that matter.

Mr. Martin (Essex East): On a point of order, Mr. Chairman, that is an improper observation, and if the minister will look and see how few members there are on the government side will be ashamed to be a member of this ministry.

Some hon. Members: Oh, oh.

Mr. Walker: I am very happy to say that there are a goodly number of government representatives, and I stress, although it may not be too polite to mention it, that there are less than 11 members in the Liberal opposition and at the present time there are two members of the N.D.P., whereas there are—

Mr. Martin (Essex East): Twenty two Conservative members.

Mr. Walker: —whereas I count 80 Conservative members.

Some hon. Members: Oh, oh.

Mr. Walker: Mr. Chairman, when I was so rudely interrupted by the hon. member—

Mr. Deschatelets: On a point of order—

Mr. Martin (Essex East): Mr. Chairman, on a point of order—

The Chairman: Order. I recognize the hon. member for Maisonneuve-Rosemont on a point of order.

Mr. Deschatelets: Mr. Chairman, the minister just said there were 80 members on the government side. There are not more than 40.

The Chairman: Order. I think the scoreboard has been sufficiently discussed, and perhaps it would help in making progress in the business before the committee if the minister would continue his statement.

Mr. Valade: On a question of privilege—

Mr. Martin (Essex East): Mr. Chairman, on a point of order, this is not a trivial matter. The Minister of Public Works—

The Chairman: Order. The hon. member for St. Mary had risen on a question of privilege.

Mr. Valade: Mr. Chairman, I rise on a question of privilege because as a member of this house I was attacked by the words of the hon. member for Maisonneuve-Rosemont. I am a member of the Canada-United States interparliamentary committee, which comprises about 40 members. I also sit in the House of Commons—

The Chairman: Order. I think this is not strictly a question of privilege. The situation is that we have a quorum of hon. members at the moment. The minister has the floor, and I think if he will continue with the subject upon which he has embarked we will make some progress.

Mr. Martin (Essex East): On a point of order, Mr. Chairman, the minister has made a statement with regard to the number of hon. members in the chamber—

An hon. Member: What point of order is that?

Mr. Martin (Essex East): —and if Your Honour will examine the rules and procedures of this house it will be found that the only person who can properly identify the number of members in the house at any one time is the Clerk, speaking on behalf of the presiding officer. The Minister of Public Works said there were 80 Conservative members in this chamber. That is not a fact. In view of this I suggest that the only proper way to regulate this matter is for you, sir, to indicate to us whether or not there are 80 Conservative members in the chamber at the present time.

Some hon. Members: Oh, oh.

The Chairman: Order. The hon. member has made an explanation to this committee, which explanation will be taken into account, as it has to be, of course. However, the concern of the Chair is to proceed with the business. I think there has been sufficient discussion on the presence of hon. members in this chamber. As I said before, the Chair is only interested in there being a quorum. We have that quorum; therefore I would ask the co-operation of hon. members in allowing the minister to continue.

Mr. Martin (Essex East): There are fewer Tory members now.

Mr. Walker: In all fairness, Mr. Chairman, I must say that when the hon. member for Essex East got to his feet it is true that several of our members left the chamber. Of course that is more habit than anything else; you cannot blame them for that. As another indication of the response to the legislation—

Mr. Chevrier: The minister is having some trouble with his statement.

Mr. Walker: I will have a little chat with the hon. member for Laurier afterward.

The Chairman: Order. I am afraid the minister has now exhausted his time and unless there is unanimous consent—

Some hon. Members: Carry on.

[Mr. Valade.]

The Chairman: I take it that the committee gives unanimous consent to the minister continuing.

Mr. Deschatelets: He is so funny; go ahead.

Mr. Walker: I am glad to have you back. Were you in Bermuda? You are looking well. As another indication of the response to the legislation, loans were made to 78 communities of less than 5,000 population, and of these 63 have less than 2,000 population and 50 less than 1,000. In most of these smaller communities sewage systems are being provided where they did not exist before and this has also, in many instances, encouraged the installation of public water systems to replace individual wells.

The committee will be glad to know that there was also a most favourable acceptance of N.H.A. loans to universities to assist in the construction of dormitory accommodation for students. Loans in an aggregate amount of more than $20 million were made to 22 universities and colleges for residences to house some 4,300 students. Preliminary applications had also been received at the end of the year from 11 universities which, if approved, could result in loans amounting to $16.7 million that would help to finance accommodation for an additional 4,000 students.

During 1961, too, as hon. members are aware, Central Mortgage and Housing Corporation undertook at the government's request to encourage the development of a secondary market for N.H.A. insured first mortgages by offering for sale a part of the portfolio it had acquired as a result of extensive lending operations since 1957. Indicating a growing interest in N.H.A. mortgages as investments, the corporation sold $41 million of its loans to investment dealers, banks and life insurance and trust and loan companies. Proceeds of sales are used to retire corporation debentures held by the federal government. Many of the loans were resold by the purchasers to pension funds, which had not previously included mortgage investments in their portfolios. This is, of course, only a beginning, but we are confident that a market of this kind, stimulated by periodic sales by C.M.H.C., will create not only a more regular but actually a larger demand for N.H.A. mortgages.

As I mentioned last September, we are also appreciative of the responsibilities imposed upon us by the research provisions of the National Housing Act in directing the search for a more attractive, more utilitarian house for Canadian families at a lower cost. I shall not take time to describe in detail the progress being made on this front, except to say that when

I had the privilege last October of taking part in the formal inauguration of field tests of the mark III experimental house at Rockcliffe I was highly impressed by this and other tasks being undertaken by the National House Builders Association and other groups and individuals with financial assistance by the federal government.

In spite of this record of achievement, the highlights of which I have touched upon today, we are still aware that we can learn from experience, that we can benefit from the knowledge of others. We know we can benefit, too, from the knowledge and criticism of hon. members of this committee, including the hon. member for Nipissing. It is for these reasons that we watch closely at all times housing developments in the United States; that we have, indeed, established and are maintaining a close liaison with our contemporaries in that country. But perhaps the older cultures have even more lessons for us, and I counted it a privilege last autumn when I was able to make an all too brief visit to Europe for the purpose of looking into the house construction and financing techniques being used in some countries over there. Later, as hon. members know, I attended an important conference in southeast Asia, and again I was able to see in another dimension the latest developments in the housing field.

At my suggestion the president of Central Mortgage and Housing Corporation and three of his senior officials subsequently undertook a more detailed examination of housing developments in England, Scotland, Sweden and Holland. The primary purpose of the study by Dr. Bates and his party was to inquire into the methods of producing housing in those countries and examine the ways in which housing is financed and subsidized.

I have reached the end of my observations on the housing situation in 1961 and in the years since 1957. It may be asked—and it is a proper question—what of the immediate future? What is 1962 likely to have in store for us? I shall not be so rash as to hazard a precise estimate of the number of new housing starts; there are too many imponderables, too many world uncertainties, too many guesses entailed. However, I will say that if only because of the substantial carry-over from 1961, amounting to some 74,000 units, we are confident of another substantial volume of housing investment in 1962. Furthermore, should the number of starts also show an increase over 1961, the investment increment would naturally be of even greater magnitude.

That summarizes the picture of housing as we see it at the present time.

Mr. Garland: I wonder if the minister would permit a question before he leaves the subject of housing. Could he say, of the total number of starts in 1961, how many were single dwellings?

Mr. Walker: I shall be glad to find that out for the hon. gentleman. I will have the figures available when we are going over the items. I shall be very pleased to do that.

Now may I discuss briefly some features of the departmental activities during 1961-62, and outline certain points of interest in our plans for the coming fiscal year. The total appropriation which is requested in the 1962-63 public works estimates is $217,451,000. Of the total amount requested, $200,226,000 is for the activities of the department as such. The remainder consists of $660,000 required by Central Mortgage and Housing Corporation and $16,565,000 for the national capital commission. The accounts for the present fiscal year are, as hon. members are aware, still active; and while it is not possible at this time to give precise figures on expenditures, I expect the usual high percentage of the funds appropriated will be spent. Usually the estimates of the Department of Public Works come down in the committee much later than this.

I should like now to report on the building construction activities of the department. In order to provide needed accommodation for government services across Canada, construction was begun on a number of important buildings during the year. These included a building for the Queen's printer in Halifax, Nova Scotia, $248,700; a public building in Kentville, Nova Scotia, $368,936; in Montreal, Quebec, a building for the Department of Veterans Affairs, $1,063,400; as well as a building for the western zone office of the unemployment insurance commission, $455,000; St. Hyacinthe, Quebec, a public building valued at $440,758; in Ottawa, Ontario, alterations and improvements valued at $5,088,000 were begun on the west block as well as a computer centre for the taxation division of the Department of National Revenue, $1,738,488; in Etobicoke, Ontario, a new public building, $179,429; Lacombe, Alberta, a public building, $147,794; in Prince Rupert, British Columbia, a new public building, $703,524 and in Vancouver, British Columbia, a building to house the unemployment insurance commission and postal station "C", $729,000.

In addition to these projects begun during the year, construction continued on other major projects such as additions to public buildings in Halifax, Nova Scotia, and Moncton, New Brunswick, and the new postal terminal in Quebec city. Here in Ottawa I can

point to the completion of the new building for the Post Office Department at Confederation Heights and continuing work on the new building for the headquarters staff of the Department of National Health and Welfare in Tunney's pasture. In London, Ontario, there was a new postal terminal; in Toronto the Arthur Meighen building was opened; in Winnipeg the new unemployment insurance building was completed; and in Saskatoon, Saskatchewan and Penticton, British Columbia, new public buildings were completed.

During the year the department continued to assist the winter works program through the construction of standard post office buildings in smaller communities across Canada. I will not bother to give a list of these locations, since they have already appeared in *Hansard* on February 9 of this year.

Turning now to the harbours and rivers work, I should like to draw the attention of the committee to the more noteworthy of the many projects currently in progress. For example, in St. John's, Newfoundland, work continued on the complete reconstruction of one of North America's oldest harbours. At Baie Comeau, along the province of Quebec's flourishing north shore, the department, in conjunction with private interests and the provincial government, is undertaking a major expansion of harbour facilities. Important harbour improvements are also under way at Yarmouth, Nova Scotia, and Cornwall, Oshawa and Port Credit, Ontario. In Toronto harbour, work on the extention to the shipping channel and for the provision of additional seaway berthage continued, and these facilities are expected to be available in time for the 1963 shipping season. Work also continued during the year at the lakehead on the construction of new terminal facilities capable of accommodating ocean going vessels. At Nanaimo, British Columbia and Grand Manan, New Brunswick, important wharf projects were begun.

Before dealing with the trans-Canada highway I will continue to review what has been accomplished with respect to harbour improvements and repairs. During the current year major harbour improvement and repair projects were completed at Hamilton, Ontario and continued at Wood Islands, Prince Edward Island, and Pointe au Pere, Quebec and at Pictou, Nova Scotia. A breakwater extension in the St. John area at Negro Town point in New Brunswick and the reconstruction of the assembly wharf at Port Alberni, British Columbia, were completed. Work also continued on the million dollar water supply system to serve the various federal communities in the vicinity of Fort Churchill.

And now a word about the trans-Canada highway. As hon. members know, the province of Quebec became a party to the trans-Canada highway agreement on October 27, 1960. To my friend the hon. member for Levis may I say that we welcome the inclusion of that province. All ten provinces now participate in this grand design.

Under the agreement with the provinces, provision is made for federal participation in the construction of the highway across each of the ten provinces. The total value of the work approved to date is estimated at $689,823,000, of which Canada's share is estimated at approximately $400 million. Payments during the present fiscal year to date approximate $31 million. The total mileage of the highway, exclusive of 140 miles through the national parks, totals 4,719 miles, of which 2,995 miles have been completed under the agreement. Adding some 1,000 miles of the highway which were paved prior to the passing of the act, nearly 4,000 miles of the highway now have a paved surface. The sections of the highway through the provinces of Prince Edward Island, Saskatchewan, Manitoba and Alberta are practically completed, and the remaining provinces are making every effort to complete the highway before December 31, 1963, although completion is doubtful in Newfoundland and Quebec.

The construction of the sections of the highway through the national parks is a federal responsibility. Expenditures on this account to date total $68,247,000, of which $5,875,000 covers expenditures during the present fiscal year.

Mr. Bourget: I did not hear what the figure of $68,247,000 related to.

Mr. Walker: That relates to national parks, which are a federal responsibility. It is expected that all major work, with the exception of additional snow sheds in the Glacier park and final course paving in the Terra Nova, Glacier and Revelstoke parks will be completed before September of this year. The work with respect to Glacier park is a tremendous undertaking and far more difficult than we anticipated. The Glacier and Revelstoke national parks section is part of the Rogers pass route through the Rocky mountains, and is the last major gap in the whole trans-Canada route. It is expected to be declared officially open this fall, which means that for the first time it will be possible to travel the whole trans-Canada route from coast to coast. This will be properly celebrated by the presence of the Prime Minister, who will officially open the trans-Canada highway in Rogers pass, British Columbia, in September of this year. He will be joined there by all ten provincial premiers and by

as many hon. members of the government as are able to attend. I trust that if there are any members of the opposition parties left at that time, as many as possible will attend.

I come now to the department's program for 1962-63. Hon. members will note that the number of large new items included in the estimates indicates that activities of the department will continue at a high level in the months to come.

I should like first of all to consider some of the major projects planned for the Ottawa area. At the Confederation Heights development on Riverside drive, plans are being prepared for two new buildings to house three government departments, one for the Department of Northern Affairs and National Resources and the Department of Forestry and the other for the Department of Transport. Both will be imposing structures and will complement the over-all scheme of government buildings in the area. Construction is expected to start during the coming year. If any hon. members have a spare moment I urge that they visit Confederation Heights and examine the magnificent development that has taken place there in the last year or two.

Of special interest, I think, is the fact that in the new northern affairs and national resources building, the use of Eskimo art for decorative purposes will be employed and so reflect its close association with the north and northern development. The exterior of the forestry wing will conform to the northern affairs building, but the interior will feature a maximum use of Canadian wood materials.

The transport building will be an imposing high-rise edifice providing the focal point of the whole development. With the completion of these two buildings, along with the new proposed building to house the head office of the Canadian Broadcasting Corporation, construction in Confederation Heights will be complete. There will remain only the landscaping then, to transform the area into one of the finest collection of government administration buildings to be found in any capital in the world.

Work will also begin this summer on Canada's new national library and archives, which is to be erected on the site of the No. 1 temporary building. Tenders for the building, including demolition of No. 1 temporary building, are to be called this summer to enable work to begin in July, at which time the taxation branch offices in No. 1 temporary building will have been moved to new quarters at Tunney's pasture. Excavation work will begin immediately and is scheduled for completion sometime in 1963, when the actual construction will begin. The completed building will be open to the public by 1967, in time for Canada's centennial celebrations. Also due to get under way this year is the site development for the mines branch of the Department of Mines and Technical Surveys on the Corktown road location.

I am certain that hon. members are interested in learning of the building construction projects scheduled by the department for other parts of the country. I shall therefore give a brief resume of some of the major projects. They are:

Newfoundland: Additions and alterations are to be made to the public building at Corner Brook.

Nova Scotia: New public buildings will be erected at Shelburne, Springhill and Sydney Mines as well as new unemployment insurance commission headquarters in Halifax.

New Brunswick: New buildings are planned at Edmundston and Sussex.

Quebec: Two new postal buildings and an unemployment insurance commission zone office will be built in Montreal, while federal buildings are scheduled for Grand'Mere, Ste. Genevieve de Pierrefonds and Ste. Anne de la Pocatiere.

Ontario: Public buildings are planned for Arnprior, Brockville, Fort William, Georgetown, Midland, Strathroy, Sudbury and Waterloo.

Manitoba: New buildings will be constructed at Boissevain and Fort Garry.

Saskatchewan: New public buildings at Shellbrook and Duck Lake.

Alberta: New federal buildings will be constructed at Calgary and High Prairie.

British Columbia: New buildings will be constructed at Burns Lake, North Surrey and a building in Vancouver to accommodate unemployment insurance commission offices and postal station "C" will be completed.

Yukon and Northwest Territories: A public building is planned for Hay River.

It is anticipated that the program of erecting standard post offices in the smaller centres across Canada as an aid to winter work will be continued next winter. Present plans call for a program roughly the same size as undertaken this winter.

Considering plans for harbours and rivers during the 1962-63 fiscal year, the department expects to continue with work currently under way at a number of major Canadian ports, as well as to make a start on projects which, when completed, will be of great importance to the Canadian economy as a whole. The extensive harbour improvements at St. John's, Newfoundland, will be continued, as will the harbour improvement projects at Baie Comeau and Pointe au Pere, Quebec.

In Toronto harbour the ship channel extension will be completed and major dredging projects will be continued. Major work including dredging will be undertaken in the Hamilton harbour. The new terminal facilities at the lakehead will be completed and placed in service later this summer. This means that Canada's most inland port will be one of the most modern in the world for handling package freight cargo.

Some of the other major projects to be undertaken during the coming fiscal year are as follows:

Newfoundland: The dredging of a number of high spots and the widening of the channel at Catalina will be undertaken. Major wharf reconstruction and extension work is slated for Old Perlican and Marystown. A new 100-foot long L-shaped wharf will be constructed at Piccadilly. Wharf construction and extension work will be undertaken at Ship Cove to provide improved facilities.

Nova Scotia: A new breakwater wharf is planned for Chapel cove. The existing breakwater at Freeport will be extended some 600 feet. At Pinkney Point a new breakwater will be constructed while at Walton the existing wharf will be replaced. It is also expected that reconstruction of pier "C" at Pictou will be completed during the year. Harbour improvements are planned for Inverness in Cape Breton.

Price Edward Island: A U-shaped breakwater landing will be constructed at Egmont bay, while extensive harbour improvements will be undertaken at Summerside and Alberton.

New Brunswick: Major harbour improvement projects are scheduled for Botsford, Lameque, and Malloch Beach. In Saint John extensive dredging and a further breakwater extension are planned.

Quebec: At Havre Aubert, large dredging operations will be continued and a start will be made on the construction of a new deep water wharf. Wharf reconstruction will begin at Riviere au Tonnerre and Les Eboulements. At Matane and Portneuf large projects are contemplated.

Ontario: Large new harbour projects are scheduled to provide improved facilities at Goderich, Leamington, Port Credit and Sarnia.

Manitoba, Saskatchewan and Northwest Territories: New wharf facilities will be undertaken at Barron river, Jan lake and Pelican Narrows as well as major reconstruction of the wharf at Cambridge bay.

British Columbia: A new boat harbour to accommodate a large number of fishing boats is being planned for Nanaimo. An important new ferry terminal is being planned at Prince Rupert to accommodate the proposed ferry which will operate between Prince Rupert, B.C. and several points along the Alaskan panhandle.

In the field of bridge construction, I am pleased to report good progress on a number of projects. The bridge between Campobello island, N.B., and Lubec, Maine, will be completed and open to traffic in the coming year. Also scheduled for completion this year is the new low level bridge over the Burlington canal.

An hon. Member: Hear, hear.

Mr. Walker: Thank you. The governments of Canada, Ontario and Quebec have agreed on a design for the new $12 million Macdonald-Cartier bridge between Ottawa and Hull. In this connection, a girder design with no superstructure above the deck railings was selected. It is anticipated that plans for this bridge will be completed in time for tenders to be called by midsummer to enable work to begin this year.

As the federal government's central construction agency, the Department of Public Works continues to assume responsibility for the construction of an ever increasing number of projects on behalf of and financed by other government departments. For instance, during the current fiscal year the department will be spending approximately $36 million on projects financed in the estimates of other departments. At the present time it would seem that the department's activities in this field will be considerably more extensive during 1962-1963. In fact the total amount of money provided by other departments for projects which will be carried out by the Department of Public Works is in the neighbourhood of some $56 million. Much of this appropriation is for the continuation of works already under way, but there are also many new items.

In particular, we will be doing a great deal more work for the penitentiaries branch of the Department of Justice, which has provided over $9 million for construction, during 1962-63, for large institutions in Nova Scotia, Quebec, British Columbia, Alberta and Ontario as well as for smaller ones in Manitoba and Saskatchewan. Hon. members will be interested in some of the larger items. I will not take the time at the moment to include these but I shall be happy to answer any questions. At this time I should like to thank the ministers in charge of the various departments for whom the Department of Public Works acts as the construction agency for their wonderful co-operation during the current fiscal year.

I have but touched on the highlights of the activities of my department for the coming fiscal year. Hon. members may have

many questions they will wish to ask about specific items in which they are especially interested. I will try at this time or at least during the debate to answer them to the best of my knowledge and ability.

(Translation):

Mr. Bourget: Mr. Chairman, I think we have seen this afternoon further evidence of the confusion that exists among the government members, when all the members of the committee noticed that the Deputy Chairman of the house, who was occupying your seat, did not exactly know where to go.

He first called the supplementary estimates of the Department of Forestry whereas there had been an agreement, so I gathered, to the effect that the main estimates of the Department of Public Works would be examined.

(Text):

The Deputy Chairman: I wonder whether the hon. member is following the right procedure in commenting on the order of business of the house. As I understand it, that is something over which neither the Chair nor the opposition have any control. It is a matter for decision by the government. I would ask his co-operation in dealing with the estimates.

Mr. Bourget: Thank you, Mr. Chairman. It was such a nice example that I could not prevent myself from saying a few words about it.

(Translation):

And now, with regard to the Minister of Public Works (Mr. Walker), as we say, he is a hopeless case. It seems that he will never mend his ways; he starts on the wrong foot, he antagonizes everybody.

I do not want to teach him a lesson, but it seems to me that, being a minister of the crown, he should set an example to the members, so that we may be able to discuss intelligently the important estimates he is submitting to the house. As I said previously, his case is hopeless and I think, Mr. Chairman, that we will ask you to pray for him.

In any case, I wish to thank him for the information he has just given us on the various activities of his department last year. He has explained to us, among other things, the projects that the department intends to carry out during the next fiscal year.

Mr. Chairman, I will not deal this afternoon with matters that come under Central Mortgage and Housing Corporation. I will leave to my colleague, the hon. member for Nipissing (Mr. Garland), the task of dealing with that section of the activities of the public works department, as I will leave it to my colleagues from Ottawa and the region to deal with matters concerning the national capital commission.

I wish to add that I regret the absence of the parliamentary secretary to the Minister of Public Works, the hon. member for Quebec East (Mr. Tassé), who has been away since the unfortunate accident that happened to him early last fall. On behalf of all the members of this house, I express to him our best wishes for a speedy recovery and return to the house.

As usual, I will limit my remarks to a few important points in the administration of the department, but I might go into details later as we proceed with the study of the various items.

In the past, in order to better evaluate the efficiency of the department, I used to prepare an analysis with the help of a chart showing the exact percentage of the amounts spent in each branch of the department.

Unfortunately, as, this year again, these items are examined before the Minister of Finance (Mr. Fleming) makes his budget speech, I was unable to make a thorough study of the situation, because we lack the information I just mentioned, which is contained in the budget papers tabled by the Minister of Finance before he makes his budget speech.

Mr. Chairman, these are perhaps the last general estimates of the Department of Public Works which will be discussed before the next election. I therefore believe it might be well to review briefly this department's activities since June 1958.

The minister said earlier today that the present government had taken giant forward steps. Well, I would suggest to him that, as far as the activities of the Department of Public Works are concerned, those giant steps were backward steps, and here is the proof.

For the year 1958-59, the department's expenses were $220 million; in 1959-60, they had gone down to $203.8 million. In 1960-61, we were asked to vote the amount of $195.9 million, which represented a decrease of $25 million in the general estimates of that year compared with those of the previous year. As a matter of fact, I had the opportunity in July 1960, of stating that those estimates of $195.9 million for the fiscal year 1960-61 were only $7.9 million higher than those voted in the last year of the Liberal administration, that is 1956-57, not considering, of course, expenses for the trans-Canada highway which, as everybody knows, are statutory expenditures which increase or decrease according to the work carried out by each of the provinces.

Mr. Valade: Your expenditures were extravagant.

Mr. Bourget: I beg your pardon?

Mr. Valade: Your expenditures were extravagant.

Mr. Bourget: Mr. Chairman, if the hon. member intends to interrupt me or to make some remarks, I would suggest that he sit down, as he will then have all the time he needs to make a speech. If he has some intelligent remarks or suggestions to make, I would advise him to go back to his seat.

Mr. Deschatelets: Hear, hear.

Mr. Valade: I will make many suggestions.

Mr. Bourget: In 1961-62, disregarding expenditures on the trans-Canada highway we voted, under the general estimates, an amount of $166,548,000 which is $2,300,000 more than the amount voted the year before.

On the other hand, if we deduct from that amount the sum of $2,700,000, that is the increase on account of the national capital commission, which was formerly under the privy council, we find that the appropriations for the Department of Public Works had been reduced by $400,000.

Now, those constant annual decreases in the public works estimates make it very clear that this government soon forgot its promises, and more particularly that famous public works policy, of which we had heard so much during the 1958 election.

Moreover, the large reserve of public works—

(Text):

Mr. Walker: May I ask the hon. member a question?

Mr. Bourget: Yes.

Mr. Walker: Would the hon. member admit that during the ten years up to 1957 the Liberal government's average expenditure in public works was less than $90 million as against our average of $215 million?

Mr. Bourget: I am going to give a very good answer to the minister. I am glad he asked me the question, because before coming down to this chamber I picked up the figures. I think I mentioned them last year during the discussion of the public works estimates. Here are the figures, Mr. Chairman, and I challenge the minister to deny them. The estimates for the Department of Public Works for the year 1946-47 were $37.2 million. Ten years after that, in 1956-57, under a Liberal government the estimates of the Department of Public Works were $147.5 million, an increase of $110 million. I have not calculated the percentage, but the minister will see that we had a progressive administration during that time which increased the amount of work being given to the people of Canada every year. This is clearly shown, and I hope the minister and every other member of this house can see that, especially when you consider the huge increase in the expenditures during the ten years from $37.2 million to $147.5 million.

(Translation):

Mr. Chairman, the large reserve of public projects—as I was saying earlier when the minister interrupted me—which could be undertaken at a moment's notice if necessary, as stated in the house on June 6, 1958, by the predecessor of the present minister, was just another vision of the Conservative party, a vision which existed only in the mind of its members.

Yet, as you know Mr. Chairman, statistics prove that if there ever was in Canada a period when we should have undertaken public works to help our thousands of unemployed, it was surely since the Conservative government came into power, because the number of unemployed is twice as high as it was when the Liberal government left office.

Mr. Rompre: Did Mr. Lesage not settle that matter?

Mr. Bourget: I beg your pardon?

Mr. Rompre: Mr. Lesage was supposed to settle that.

Mr. Bourget: You should talk. When your government was in power in the province of Quebec, what was the contribution of the Union Nationale—

Mr. Denis: Nothing, absolutely nothing.

Mr. Bourget: —with regard to works designed to reduce unemployment?

Mr. Denis: Nothing at all.

Mr. Bourget: You should be ashamed. You should not raise that question; you should be ashamed because you never said a single word.

Mr. Pigeon: On a point of order, Mr. Chairman. The hon. member does not know that heavy damage has been caused by thunder in the province of Quebec.

(Text):

Mr. Bourget: That is not a point of order. The hon. member is trying to make a speech. Get up and make a speech.

Mr. Pigeon: I will make a speech that will be difficult for you to answer.

The Deputy Chairman: Order. I should like to remind the committee that we are dealing with estimates of the Department of Public Works, and matters relating to unemployment and other subjects are not relevant.

Mr. Bourget: Thank you, Mr. Chairman. You noticed that I was very good until somebody else interrupted. As a matter of fact, I did not interrupt the minister when he spoke and I would hope the same kind of treatment will be given to me. Thank you for the word.

(Translation):

Mr. Chairman, I should like to analyse the estimates for the next fiscal year, that is for 1962-63.

What strikes me first is that again this year there is a decrease of $463,343 in the general estimates we are asked to vote. If we subtract from the amount of $167,434,000 the $16.5 million that are earmarked for the national capital commission, which has been under the Department of Public Works for the past two years only, the reduction is greater still.

On the other hand, if we look at the estimates for the two main branches of the department, the one which looks after the construction and repair of public buildings and the harbours and rivers engineering branch, we notice that there is an increase of $1,618,000 in the first case whereas there is a decrease of $1,327,000 in the second. If we take a closer look at the estimates of the public building construction branch, we see that with the exception of Ottawa and the province of Ontario, there is a decrease in every province. As far as Quebec is concerned, for instance, there is a reduction of $166,000.

As for harbours and rivers, we find that there is also a decrease in five provinces, the largest, amounting to $3,255,000, being in Ontario. For the province of Quebec, the decrease is $786,000.

If, moreover, we examine the public building projects for the province of Quebec, for instance, which are shown at pages 339 and 340 of the estimates, we find that almost half of the projects to be carried out consist of nothing new, but are simply previous ones which are to be completed.

As regards harbours and rivers, for the same province, we found the same thing, since a large portion of the items shown at pages 352 and 353 consist of projects to be completed or of retaining walls to be built, a thing which, as we know, does not require much preparation. It is obvious that the minister did not rack his brains to find new projects, for there are but few of them in the list of works recommended for the year 1962-63.

By the way, I want to point out that in the expenditures provided for the province of Quebec, there has been a decrease of $952,000 from the estimates of last year.

Again this year, we see in the list of projects for the province of Ontario, an amount of $1 million for the construction of an unemployment insurance building in Toronto.

I would point out to the committee that this is the fourth time an amount is provided for the construction of that building because back in 1959, we voted an amount of $400,000 for that purpose. I wonder how things are going with that project, in view of the fact that last year, to a question I asked in this house, the minister's parliamentary secretary answered that it could not be said when the plans and specifications for that building would be completed on account of changes that had been made.

Now I hope, Mr. Chairman, that in his reply the minister will be able to tell us if the plans have been completed and when tenders will be called. And should he be unable to give us that information, he should, in my opinion, delete that item from his estimates.

I also notice that among the work to be carried out in the province of Quebec, there is an item for the construction of a public building at a cost of $500,000. I understand this is a building to accommodate the unemployment insurance office in Quebec city. That is another proof of the inability of the minister to take a decision, or of the existing confusion in his department because that item has been included in the estimates in 1959 and in 1960. I wish—

Mr. Flynn: There is also the post office.

Mr. Bourget: Right, let us talk about the post office. It has not been completed yet, even though you have been in office for five years. Let the Minister of Mines and Technical Surveys (Mr. Flynn) look through the files of the public works department and he will find out that one year before the planning committee of Quebec and Quebec city

had rejected the site that had been selected plans and specifications had already been made and we were ready to call for tenders.

An hon. Member: The Minister of Mines and Technical Surveys is not aware of that.

Mr. Bourget: I also would like to remind the minister that he himself had announced that project during his visit to Quebec city in January 1960, that is two years ago. But all that was undertaken until now, was to demolish the old hospital. However, we may perhaps be comforted by the thought that tenders will soon be called for this project, if we can believe a statement made by the minister's parliamentary secretary to newspapermen in Quebec city.

I hope that the minister will not feel hurt if I tell him that he certainly shall not be arrested for speeding.

Now, I should like to talk briefly about the trans-Canada highway, that wonderful program developed by the Liberals and in which all Canadian provinces, Quebec included, are taking part.

I could hear just a few moments ago the minister stating with great oratory, that the official opening of this highway would take place during the fall.

An hon. Member: It will not be long.

Mr. Bourget: Well, I hope that the man, responsible for the implementation of such a wonderful program will be invited, and I am referring to the Hon. Robert Winters.

Mr. Valade: Are you for a joint program?

Mr. Bourget: If you have something to say, say it so as to be understood.

Mr. Valade: May I ask the hon. member a question?

Mr. Bourget: Surely.

Mr. Valade: Is the hon. member of the opinion that the trans-Canada highway comes under the joint program policy denounced by the Liberal government of the province of Quebec?

Mr. Denis: Certainly not. It agreed to it.

Mr. Bourget: I am glad that someone asks me this question. I am surprised that the hon. member would ask such a question. I am really surprised.

Mr. Valade: But answer the question.

Mr. Bourget: I am going to answer it—

[Mr. Bourget.]

Mr. Pigeon: Go ahead.

An hon. Member: Cheeky.

Mr. Bourget: —this way: When I, personally, asked for a vote on the question of the trans-Canada highway, about two or three years ago, how did you vote, if you do not agree to the joint program? You went under cover most of you—

An hon. Member: They ran away.

Mr. Bourget: —you ran away, vanishing behind the curtains, going to your offices, because you did not have the courage to stand here and to make known to this house, and not only to the province of Quebec but to all your colleagues of the other provinces, what you thought of the joint programs.

Mr. Valade: Are you in favour of joint plans?

Mr. Bourget: There you are, complacently accepting what the government offers you, and then you go back to the province of Quebec and repeat that those bad Liberals have violated the autonomy of the province of Quebec—

Mr. Pigeon: That was true.

Mr. Bourget: —while you have been here for four and a half years with your own government, and you have not changed anything.

Mr. Valade: But are you in favour of joint plans?

Mr. Bourget: I did not get what the hon. member has just said. There is too much noise. I am quite willing to answer questions, mind you, because the answers are so easy, for the Conservatives not only have a past, they also have a present for which they must answer. And very often—

Mr. Pigeon: May I put a question to the hon. member for Levis?

Mr. Bourget: Mr. Chairman, I have no objection to answering questions since we are in committee, although it is not up to me to answer questions, but to the minister himself.

Mr. Pigeon: This question concerns you.

Mr. Bourget: I will concede him another question; go ahead.

Mr. Pigeon: Is the hon. member for Levis aware of the joint plans of the minister of uniforms, the Hon. Bona Arsenault?

Mr. Bourget: The hon. who?

Mr. Pigeon: The Hon. Bona Arsenault, minister of uniforms.

Mr. Bourget: Mr. Chairman, I thought I had answered that question, and I think the Leader of the Opposition clearly explained the position of our party about joint plans, but you did not do so on your side. If you are against them, just vote against the estimates we are going to discuss in a moment, or during the week, for the construction of the trans-Canada highway. You should have the courage of clearly expressing your views once and for all and not act Union Nationale in the province of Quebec and Conservative party in Ottawa. You cannot have it both ways.

Mr. Pigeon: We are Canadians, we respect our racial origins.

(Text):

The Chairman: Order, order.

(Translation):

Mr. Bourget: I hope, Mr. Chairman, you will give—

Mr. Drouin: Mr. Chairman, on a question of privilege and on a point of order at the same time. After what the hon. member for Levis has said, I would ask him to kindly refer to *Hansard* of the time, where he will see that the hon. member for Dorchester voted contrary to what he just mentioned.

I will add that on the occasion of a personal visit paid by the premier of the province of Quebec—

(Text):

The Deputy Chairman: Order. There is no point of order in the matter raised by the hon. member for Dorchester. It is rather a subject for debate or argument, and the hon. member can raise it at a later time in the committee if he so desires.

Mr. Bourget: I am very sorry, Mr. Chairman, for what happened, but it puts a little pep into the debate and I think all hon. members like a little pep once in a while.

(Translation):

An hon. Member: Answer.

Mr. Bourget: I have no objection and I am ready to reply to the remark of the hon. member for Dorchester (Mr. Drouin) but he must realize that he adds to the confusion as I said a few minutes ago, some stood behind the curtains, others in their offices.

Mr. Chairman, I was talking about the trans-Canada highway and I am coming back to it.

We know that, under the bill introduced in parliament in 1960, the period for the construction of this highway had been extended until December 31, 1963.

The other day in this house, I could hear the minister summing up the promises fulfilled by the Conservative government since June 1957.

Mr. Walker: Wonderful.

Mr. Bourget: The minister has undoubtedly forgotten in his list the numerous promises made by many of his colleagues about the trans-Canada highway, when they were in the opposition.

As a matter of fact, many of them, who now sit here as ministers—and the minister has only to check the official report to see if what I am saying is true—accused the former administration of niggardliness because it would not pay a larger share of the cost. They also blamed the former government for not undertaking a second trans-Canada highway, as well as sections of the north-south highway that was to be linked to it.

Mr. Chairman, the Conservative government has been in power for over four and a half years and absolutely nothing has been changed; the government has not increased in any way its share of the construction costs of that highway.

(Text):

The Deputy Chairman: Order. I am sorry to interrupt the hon. member, but his time has expired. Does the committee give unanimous consent to the hon. member continuing?

Some hon. Members: No.

Some hon. Members: Agreed.

(Translation):

Mr. Pigeon: We would rather approve of his continuing to make inaccurate statements, Mr. Chairman.

(Text):

The Deputy Chairman: I take it that the committee gives unanimous consent to the hon. member continuing.

Some hon. Members: No.

Some hon. Members: Agreed.

Mr. Bourget: I want to thank you, Mr. Chairman, and also the members of the committee for their generosity.

(Translation):

Mr. Denis: He should put that in his lunch-box.

Mr. Pigeon: Come and say that in Joliette.

Mr. Bourget: Mr. Chairman, I know what the judgment of the member for Joliette is worth and he can say what he likes.

Mr. Pigeon: But I will not read from a prepared speech when I take the floor.

Mr. Bourget: It seems to me that the minister should have dealt with the trans-Canada highway when he recited the various promises fulfilled by his government. With regard

to the trans-Canada highway, he could have said "we swiftly forgot the promises made in that respect."

As I was saying a little while ago, the construction period has been extended to December 1963. I realize that in the case of two or three provinces, the highway may not be finished by that time for want of money, as it will probably be the case for Newfoundland, or on account of the difficulty of carrying out the work in some areas such as in British Columbia, or, as in the case of the province of Quebec, because the work started only last year.

However, I think it is time a federal-provincial conference should take place, before the construction of a second trans-Canada highway is discussed and that plans be worked out for the future.

We know that several provinces are working out road construction programs, to be implemented over a period of three, four and five years, and that it is necessary for them to know at once what the federal government intends to do about a second trans-Canada highway.

I hope the minister, in his reply, will give us more information than he has given us until now on this matter.

Another project on which I should like to draw the minister's attention, and about which, of course, he does not like to hear, is the one concerning the construction of a causeway in the Northumberland strait, to link New Brunswick to Prince Edward Island.

In this year's estimates, there is provided an item of $50,000 for further study of that project.

We can see that in the last four years we have spent or we will have spent $750,000 for a study of that project, and that it has not yet been possible to get the slightest report about it.

Yet, according to the minister's predecessor, the study of that project was to be completed about April 1959. Those words of the minister of the time may be found on page 1933 of *Hansard* of July 4, 1958.

On several occasions since 1959 and even when the estimates of the Department of Public Works were before us, we have tried to find out from the minister whether that project was economically feasible.

I for one, on July 18, 1960, spoke at length on that subject after mentioning the number of surveys made by various departments of the federal government and firms of consulting engineers.

The minister told me that he could not give me a definite answer because he had been informed, he said, by the national research council, that the results of the tests under way "would not be known until next fall," that is the fall of 1961.

Notwithstanding the minister's answer, it seems quite evident that from the surveys made and the time elapsed since they were undertaken, the government has now the necessary information and is in a position to tell this house and especially the people concerned whether that project is economically feasible or not.

The minister may try to use finesse and express his regret for not being able to give us a report, but everyone knows that he is trying to avoid, like the government, giving a definite answer in that regard.

In a newspaper article of December 7, 1961, we could read the following:

> Prime Minister John Diefenbaker stated last night that the engineering studies made by the federal government concerning the Prince Edward Island metalled causeway proved that the project is apparently feasible from the point of view of the engineers.

And further on in the same article:

> Mr. Diefenbaker informed his audience that another study must yet be undertaken in order to determine exactly what will be the effect of the spring ice conditions in the Northumberland strait which the nine-mile long causeway will cross.

On the other hand, we find on page 397 of *Hansard* for January 31, 1962, the following question put by the hon. member for Northumberland-Miramichi (Mr. McWilliam):

> Have the studies into the Prince Edward Island causeway been completed to the point where such studies have demonstrated the feasibility of constructing such a causeway?

The minister answered in these terms:

> No. The engineers are reasonably certain at this stage that some type of crossing can be constructed. However, studies into the designs for various types of crossings and into some of the engineering problems associated with them, all of which have a bearing on cost and feasibility, are still not completed.

Well, this shows again that the government is playing for time and especially that it wants to avoid having to make a decision before the next election.

I think that the people concerned, especially from Prince Edward Island and New Brunswick, will not ignore the fact that this is another one of those unfulfilled promises of the federal government.

The last point I should like to raise is in connection with the brief submitted recently by the Hull city council, in conjunction with

the industry and tourist commissioners of that city, in which they make a plea for the construction of federal buildings in Hull.

I do not want to infringe upon the field of my colleague, the devoted member for Hull (Mr. Caron), but I should like to read into *Hansard* an excerpt from this most interesting brief which I wholeheartedly support.

This quotation will be found on page 13 of the brief, and reads as follows:

A joint interest.

I quote:

The construction of federal buildings in Hull is wholly to the advantage of the federal authorities.

First, they recognize that the city of Hull is part of the national capital district and, therefore, that it must benefit from the developments of this district. These important construction projects are a practical way of contributing to the urban renewal and to the beautifying of the city. It is in the interest of Ottawa that its neighbour city, situated at its very gates, be as attractive as possible.

A certain balance should be struck in the federal decentralization policy of government services, because the extension on the Ottawa side will soon have reached the point of saturation. It would be well, at this time, to cast an eye on the Quebec side.

In that area, huge sites are still available in close proximity to the federal administration centre. Essential municipal services could be easily provided.

Incidentally, I find here the following remark:

The city of Ottawa is complaining at this time, about the cost of extending services to federal buildings, because they are so far away.

The federal government should retain a certain balance in the development of the two main partners in the national capital district, i.e. Hull and Ottawa.

According to *Le Droit*, the delegation which presented that brief was well received and was told that the government was very much interested in the matter. I hope that the Minister of Public Works will not just be satisfied with words of encouragement, but will quickly take action and see that further federal buildings are erected in the neighbour city of the federal capital. In this respect, the Liberal government set a good example by building the printing bureau, a splendid building which any city or town in Canada would gladly call its own.

Mr. Chairman, those are the few remarks I wanted to make. I am sorry to have exceeded the time generally awarded to a member when estimates are discussed, and I thank hon. members of the committee for permitting me to do so.

(Text):

Mr. Peters: Mr. Chairman, in speaking on this item I should like to offer the minister a word of friendly advice. I watched the television broadcast the other night and was happy with it. I suggest the minister should not overdo this. The Minsiter of National Health and Welfare has announced that all positions are filled for the year at the Shakespearian theatre at Stratford. There appears to be no opening for another performer. I offer that as a word of caution. It does provide a bright moment in an otherwise dull afternoon but it should not be overdone.

Mr. Martin (Essex East): Has the hon. gentleman never heard of one of Shakespeare's characters named Falstaff?

Mr. Peters: I am advised that all positions are filled at Stratford this year.

Although there is a reduction from last year in the estimates for this department it is still the large sum of $217 million. The government's activities in the housing field have produced some remarkable results not anticipated by private moneylenders. The Conservative government has gone into housing on a large scale without much regard to the needs of the people who require houses. They entered the field rather on the basis of lending money through a normal mortgage machine in order to maintain construction when unemployment was at high levels, and also with a view to meeting the social need for more housing.

Is it not necessary that some consideration be given to the type of housing we provide and the reasons for providing it? It must be remembered that mortgage funds are provided over a period of 20 years or longer. Even at an interest rate of 5 per cent a $20,000 home will cost $40,000. We are all aware that mortgage money cannot be borrowed even at that rate. At the expiration of the mortgage the amount paid is larger than the actual value of the home. Consideration should be given to the money invested in interest payments. Part of our national worth, our gross national product, is tied up in the housing we provide our citizens. It is not a total loss to the government or the country. We should have a new housing policy under which the government would reduce interest rates to a bare minimum.

Before this is done the government would have to reconsider the method of making loans through Central Mortgage and Housing Corporation. A system would have to be introduced under which the money would return to the corporation instead of to the treasury so it would be easier for the Canadian people and particularly members of parliament to know what amount was returned to the revolving fund at a given rate of interest.

The minister did not mention whether or not we are building the right kind of houses. Consideration should be given to this. People may be purchasing houses which, when they are paid for, they will not want.

Young families have difficulty obtaining suitable housing. A young factory worker or farmer faces his most difficult years when he begins working in his occupation. The difficulty is multiplied by the fact that in those years he will raise his family and have to meet the attendant increased responsibilities and expenses. In those years he will require more bedrooms and larger facilities than at any other period. When he has paid for his house in 20 or 25 years his children will have grown up and left home and in his old age he may be left with a white elephant instead of a comfortable cottage in which to spend his years of retirement.

I am not an architect but I feel the government could give consideration to what has been done by some municipalities in providing school buildings. I have visited schools in Toronto. Parts of the schools are portable and can be dismantled a room at a time to meet the fluctuating needs of the school children. Additions can be made to the schools when the need demands. The suburbs have fluctuating populations and there is not always a constant proportion of young people.

Perhaps houses could be built in a similar manner so that they could be expanded or contracted as the need of the family unit changed. Consideration should be given to this project.

May I call it five o'clock.

PRIVATE BILLS

On the order:

Second reading of Bill SD-1, an act for the relief of Madeleine Françoise Hankowski—Mr. McCleave.

Mr. R. J. McCleave (Halifax): Mr. Speaker, if the house is agreeable I would ask that the first 36 bills standing in my name on today's order paper under the heading "Private Bills" which are all divorce bills be withdrawn from the order paper until next Thursday evening when I expect to be in a position to make a statement on this matter.

Mr. Speaker: The hon. member for Halifax requests the unanimous consent of the house to withdraw from the order paper until next Thursday divorce bills Nos. SD-1 to SD-36, inclusive, being items 1 to 36 respectively on today's order paper. Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: They will reappear on the order paper for next Thursday.

[Mr. Peters.]

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA

Mr. O. W. Weichel (Waterloo North) moved the second reading of Bill No. S-3, respecting the Mutual Life Assurance Company of Canada.

He said: As the sponsor of this bill, Mr. Speaker, I wish to point out that The Mutual Life Assurance Company of Canada desires the power to use either the name "The Mutual Life Assurance Company of Canada" or "La Mutual Life, compagnie d'assurance du Canada" in the transaction of its business, the latter name to be used basically in connection with advertising, literature and policies issued in the French language.

The company was originally incorporated as an Ontario company by an act of the legislative assembly of the province of Ontario, being chapter 17 of the statutes of 1868, with the name "Ontario Mutual Life Assurance Company".

The company was incorporated as a dominion company by an act of the parliament of Canada, being chapter 33 of the statutes of 1878, with the name "The Ontario Mutual Life Assurance Company". By this act all assets of the Ontario company were vested in the dominion company which assumed all obligations of the Ontario company.

The powers granted to the company by chapter 33 of the statutes of 1878 have been varied and enlarged by the following acts of the parliament of Canada: chapter 96 of the statutes of 1889; chapter 123 of the statutes of 1894; chapter 112 of the statutes of 1900; chapter 159 of the statutes of 1903; chapter 67 of the statutes of 1925.

The name of the company was changed from "The Ontario Mutual Life Assurance Company" to "The Mutual Life Assurance Company of Canada" in 1900 by an act of the parliament of Canada, being chapter 112 of the statutes of 1900.

The company was Canada's first mutual life insurance company and from its inception has been a mutual company. The company sells insurance throughout Canada but not outside of Canada. Approximately one sixth of the company's business—insurance in force, investments and agency personnel—is carried on in the province of Quebec.

In connection with its business in the province of Quebec the company advertises and issues company literature in the French language. Normally when dealing with a person whose native tongue is French, whether in the province of Quebec or elsewhere, the company carries on all transactions with that person in the French language, including the issuance of a policy in the French language, such policy of necessity setting out the

name of the company as "The Mutual Life Assurance Company of Canada". For some years agents of the company on business in the province of Quebec have urged the company to obtain power to use a French version of its name.

The alternative name requested by the company has been chosen in order to differentiate the company from provincial mutual life insurance companies carrying on business in the province of Quebec, the names of a number of which include the word "mutuelle".

Mr. Louis L. Lang, Galt, Ontario, is chairman of the board. Mr. E. A. Rieder, F.S.A. of Kitchener, Ontario, is president. Mr. R. C. Berkinshaw, C.B.E., is vice president and lives in Toronto. Many other distinguished Canadians across Canada are directors of this company.

Mr. Speaker, I am pleased to lend my full support to this bill as requested by the company.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

WESTMOUNT LIFE INSURANCE COMPANY

Mr. R. J. McCleave (Halifax): Mr. Speaker the hon. member for St. Antoine-Westmount (Mr. Webster) unfortunately cannot be here today. However, he has asked me to move second reading of the bill in his stead.

Mr. Speaker: Is the house prepared to accept the hon. member for Halifax in place of the hon. member for St. Antoine-Westmount?

Some hon. Members: Agreed.

Mr. McCleave (for Mr. Webster) moved the second reading of Bill No. S-4, to incorporate Westmount Life Insurance Company.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

REPRESENTATION ACT

AMENDMENT TO INCREASE ELECTORAL DISTRICTS IN NORTHWEST TERRITORIES

Mr. Eric Nielsen (Yukon) moved the third reading of Bill No. C-14, to amend the Representation Act and the Canada Elections Act.

Mr. Speaker: Before the house proceeds, may I have leave to raise a point of order which it seems to me must be raised in connection with section 4 of the bill as reprinted.

Hon. members will recall that this Bill No. C-14 came before the house for second reading a few days ago. At that time the hon. member for Yukon by unanimous consent was authorized to substitute an amended form of the bill which is now before the house and which is described as "Reprinted as proposed to be amended in committee of the whole".

Second reading proceeded, the bill was passed through committee and it stands for third reading, although the bill in its present form including section 4 was in the hands of the house only at the time when second reading was moved, or rather was in the hands of the house for the first time then. If hon. members will look at section 4, I think they will agree with me that it authorizes—

Mr. Martin (Essex East): I have only section 3 in my bill, Mr. Speaker. Would you mind reading out section 4?

Mr. Chevrier: Could we have the bill?

Mr. Martin (Essex East): Or could we have copies of the bill?

Mr. Speaker: I shall be very pleased to read the section. Section 4 provides as follows:

> 4. Section 9 of the Canada Elections Act is amended by adding thereto the following subsection:
>
> "(8) In the electoral district of Northwest Territories the returning officer, with the written authorization of the chief electoral officer, may appoint more than one election clerk and establish, if necessary, an office in each locality designated by the chief electoral officer, and may delegate, in writing, to any such election clerk appointed his powers of selecting and appointing enumerators and deputy returning officers and of selecting polling places."

Hon. members will observe that the first three sections are an amendment to the Representation Act which does not provide for the expenditure of any funds but is an act to deal with representation and electoral districts. On the other hand, section 4 provides for an amendment to the Canada Elections Act under which provision is made for payment of the expenses of elections. The problem I wish to present to the house is that section 4 appears to authorize an expenditure of public funds. For the convenience of hon. members who wish to look into the matter I may say that the requirements with respect to bills which authorize an expenditure of public funds are found in section 54 of the British North America Act which states in part as follows:

> It shall not be lawful for the House of Commons to adopt or pass any vote, resolution, address, or bill for the appropriation of any part of the public revenue... to any purpose that has not been first recommended to that house by message of the Governor General—

That is part of the section. Then our standing order 61 implements that statutory provision. References to the practice will be found in Beauchesne's fourth edition, in citations 243, 245 and 355. In determining whether any particular legislation appropriates money

within the meaning of these provisions the issue is not the amount of money but whether there is an appropriation of public funds. I cannot but come to the conclusion that section 4 authorizes the expenditure of public funds.

If that would stand in the way of the progress of the bill, it might be that the issue could be dealt with either by amendment or, if it is desired to proceed with the bill, this difficulty could be rectified by deferring it until a resolution has been brought in. It would not be proper for this bill to be read a third time and passed, thus setting a precedent which would stand in the future against the well known constitutional practice that no public funds are ever appropriated, involving as they do taxation, without the house having an opportunity to consider the matter in the resolution stage in committee before the bill itself is presented.

It would be in order, of course, to refer the bill back to the committee with instructions to delete clause 4. It may be that the Canada Elections Act, as it stands, would be the means of providing the money necessary for the implementation of clauses 1, 2 and 3 of the bill. If so, then clauses 1, 2 and 3 could be made effective even if clause 4 were deleted. If the Canada Elections Act does not have these enabling provisions, then it is all the more evident that the proposed amendment to the Canada Elections Act contravenes our practice.

Hon. George C. Nowlan (Minister of National Revenue): In view of the remarks which Your Honour has made with respect to this bill, I may say that I am sure the house appreciates the view which you have taken and, as always, the care with which you have considered matters which are the constitutional privileges of this house. In view of these comments, I feel that this house would want to take the appropriate action, so I move:

That Bill No. C-14, an act to amend the Representation Act and the Canada Elections Act, be not now read a third time but that the said bill be referred back to the committee of the whole with instructions to delete clause 4 therefrom and amend the title of the said bill to read, "An Act to Amend the Representation Act".

Hon. Lionel Chevrier (Laurier): Mr. Speaker, having listened to the decision which Your Honour has handed down, I may say it is certainly in conformity with our understanding of the rules and regulations. I think I would be disposed to agree with the acting house leader, Minister of National Revenue (Mr. Nowlan) in the motion he has just made. I think it would be unfortunate if this house were to do anything by means of a private bill which would indicate the expenditure of public funds. I believe the procedure which is being followed is the proper one under the circumstances and we would be disposed to accept it.

Mr. Harold E. Winch (Vancouver East): I find myself in a somewhat difficult position, Mr. Speaker. May I say first of all, Mr. Speaker, that we in this group appreciate very much the stand you have taken and the way you have drawn to the attention of this house the implications of a certain bill introduced by a private member which, under clause 4, calls for the expenditure of public money. This, of course, is not within the purview of a private member.

However, sir, I should like to ask whether or not you have considered one other phase of the matter. The amendment which is now before us calls for referring the bill back to committee and the withdrawal of one clause. The withdrawal of this one clause could go a long way towards nullifying the effectiveness of the bill itself. The point I should like to ask you, sir, is this: I am now going back in my memory a long time, but I can remember an incident in the provincial legislature. I think the provincial legislature is not different in so far as matters of this nature are concerned, from the House of Commons. I believe, sir, that a private member can introduce a bill calling for the expenditure of money from the public purse, but that bill cannot be carried on third reading unless the government has announced that it is acceptable to them. I am certain, sir, my memory is correct on that constitutional provision. If the government accepts the private member's bill, that bill is then in order.

I should like to ask you, sir, if you have given any consideration to that phase of the matter? Under those circumstances, the government, instead of asking that this bill be referred back to committee for deletion of the clause, could give permission for the expenditure of public money.

Mr. Speaker: Having placed this motion before the house, perhaps I should ascertain if there are other members who wish to speak. It is not in order for me to answer questions which are not relevant at the moment. I have made my ruling with respect to this bill. I believe I know to what the hon. member is referring, and that is a case where the acceptance of the government has been indicated in the course of the bill. This has happened in some cases. However, the obstacle here is the lack of the resolution and committee stage.

I believe the hon. member for Skeena wishes to make some contribution. Perhaps I should say that I consider the point made by the hon. member for Vancouver East now to

be passed because I made my ruling and expressed my view, and an amendment has intervened which recommends a specific course of action.

However, I do not wish to stand on ceremony. If the hon. member for Essex East (Mr. Martin) has something to say in connection with what was suggested, then perhaps the hon. member for Skeena would defer his remarks.

Hon. Paul Martin (Essex East): I think the point made by the hon. member for Vancouver East is not well taken. I notice in Beauchesne's fourth edition, 1958, citation 243, the following:

> All bills providing for the payment of salaries or for any expenditure whatever out of the public funds of the dominion must be first considered as resolutions in committee of the whole. And all such resolutions necessary to the introduction of a bill must first obtain the recommendation of the Governor General. It often happens that bills are introduced with certain clauses providing for salaries or other charges on the public revenue, and in that case the bill may be introduced directly on motion, while the clauses in question ... are considered in the shape of resolutions in committee on the bill.

The point that the hon. gentleman was seeking to make was that if the government accepts this bill then it could be put forward, even though it does involve the expenditure of money.

Mr. Winch: If they so announced.

Mr. Martin (Essex East): Yes; but I think it is clear from what Beauchesne has said that under our practice no money bill can be introduced except by a minister of the crown. The situation, in this particular instance, cannot be corrected, the hon. member having moved something which under our practice cannot be moved by a private member. The government cannot really be saying that it approves giving the hon. member a power which under our rules resides only with a member of the government.

Mr. Frank Howard (Skeena): I think, Mr. Speaker, that following the course of your thoughts upon this, and as it is not possible now for the government to accept or do anything else, perhaps we could consider another course. As the hon. member for Vancouver East said, and as the hon. member for Yukon is well aware, the effect of the bill will be greatly lessened if this provision is not made, if an amendment is not made in the Canada Elections Act because of the distance, the geography and the like. Would it not be possible to follow this course? I think everyone wishes to make sure this amendment is put into effect and that it be an effective amendment so far as the people up in that part of the country are concerned. I believe that if the Minister of National Revenue is in a position to do so, he should indicate to the house that on some subsequent day it would be the intention or hope of the government to introduce a money bill dealing with the Canada Elections Act, as a separate piece of legislation. Were he to do that we could then proceed to give third reading to this bill and wait for the accompanying money resolution to be introduced by the government. This would ease the minds of all hon. members in the house.

Mr. Nowlan: I do not want to terminate the debate by speaking now.

Mr. Speaker: As the minister says, if he has the right to speak now he will certainly close the debate, but perhaps by leave of the house he could indicate what he has to say in response to the hon. member for Skeena.

Some hon. Members: Agreed.

Mr. Nowlan: I gathered from the debate which took place on this bill on another day that it was the desire of the house to facilitate its passage but, sir, we have landed into a constitutional difficulty which you properly drew to our attention, a difficulty we are now trying to deal with and at the same time meet the views of the house.

If we can get the bill into committee, and the committee of the whole sees fit to amend it and bring it back to third reading, then the bill will maintain its position on the order paper and can be dealt with later on during this hour or on some other day. However, if it goes to the committee and stays there, then it will be there for quite a while.

There are two possibilities. At the moment I am not in a position to give an undertaking on the part of the government, but the provisions of the Canada Elections Act are so wide and the powers given to the chief electoral officer are of such a nature that it would appear to the law officers that the chief electoral officer, through his own organization, might be able to take such steps as are necessary to implement this bill if parliament sees fit to pass it, even without clause 4. I am not in a position to give a definite undertaking on this matter but my understanding is that if parliament sees fit to pass this bill, and if the law officers feel the chief electoral officer has not that power then, as the hon. member for Skeena suggested a moment ago, a bill could be introduced and I think would be introduced to add a section to the elections act which would implement the procedure contemplated in clause 4 of the bill.

Mr. Chevrier: It would seem to me, sir, that in the light of your decision the proper

solution to the problem would be to do as indicated in the amendment that is now before the house. It is quite clear, from what the minister has said following your decision, that the bill goes beyond the constitutional jurisdiction of a private member. I think the proper manner in which to proceed is to refer it to committee of the whole to delete the section, and it will then be up to the government to determine whether or not it wants to introduce a resolution by way of amendment to the Canada Elections Act.

Mr. Nowlan: If it is necessary.

Mr. Chevrier: If it does, then the house will be faced with that responsibility at the time; but I certainly do not think we can be placed face to face with that responsibility now in the light of your decision and in the light of the amendment that is before us. It is my very respectful suggestion that we proceed in the manner indicated by the motion.

Amendment agreed to and the house went into committee, Mr. Chown in the chair.

On clause 4—*Appointment of more than one election clerk.*

Mr. Grills: I move, seconded by Mr. Dubois, that clause 4 be deleted from the bill.

Mr. Winch: We are in a position now to ask the minister to give his definite, considered opinion. We are in agreement on this bill, and we should ask him that if in the immediate future it is not found that the purport and effect of the bill can be carried out in its entirety, will the government in the immediate future introduce the necessary governor in council regulation?

Mr. Nowlan: I cannot give you that undertaking on the part of the government. The only thing I can say is that if the bill stays in committee it will be here for a long, long while. However, if it comes out and gets third reading, as I said earlier the law officers are giving consideration to the matter and it is my opinion—I may say this is not the government's opinion—that the act is wide enough to permit the chief electoral officer to do this. If that is not the case then the government will give very careful consideration to bringing in an amendment to the elections act, to accomplish that which the House of Commons purported to do the other day, but which it now finds it has not the power to do.

Amendment agreed to.

On the title.

Mr. Grills: I move, seconded by Mr. Dubois,

That all the words after the words "Representation Act" be deleted from the title so that the title, as amended, would read "An Act to Amend the Representation Act".

Amendment agreed to.

Title as amended agreed to.

Bill reported.

Mr. Speaker: When shall the said bill be read a third time?

Mr. Chevrier: Next sitting of the house.

Mr. Nielsen: Now, Mr. Speaker.

Mr. Speaker: There will have to be unanimous consent to take the third reading now and I hear objection.

Mr. Chevrier: May I ask the hon. member a question, if I am not out of order?

I note that clause 3, dealing with the definition of Northwest Territories, lists certain areas. In paragraph (b) it says that the islands that are within the province of Manitoba, the province of Ontario or the province of Quebec are excepted. Could the hon. member tell us what islands in the province of Quebec are being excepted from that definition?

Mr. Nielsen: Mr. Speaker, in reply to the hon. member, the islands are not excepted in the sense that they are not included in the electoral district, so that their residents would obtain the vote, which is simply what this bill seeks to do. The clause is phrased in this way to ensure that any possible provincial rights to offshore islands will not be interfered with should the question arise in the future.

Mr. Speaker, I am sure all hon. members would agree with me that in view of the area which has to be covered by the staff of the chief electoral officer by the addition of these two new districts, the sooner the house proceeds with third reading the quicker the chief electoral officer will be able to get his machinery in motion. I would impress upon Your Honour and hon. members that it is indeed urgent that, having agreed to the principle of extending the franchise to these people, we should proceed to give the bill third reading so as to enable the chief electoral officer to proceed immediately in setting up the necessary machinery for carrying into effect the provisions of the bill.

Mr. Speaker: Does what has been said alter the situation?

Mr. Winch: Mr. Speaker, I agree with the hon. member that we should pass the bill now, but I would advise him that the other place has adjourned for a week.

Mr. Speaker: When shall the said bill be read the third time; next sitting of the house?

Some hon. Members: Agreed.

CANADA GRAIN ACT

REVISION OF GRADES RESPECTING RAPESEED AND MUSTARD SEED

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale) moved the second reading of Bill No. C-15, to amend the Canada Grain Act (rapeseed and mustard seed).

He said: Mr. Speaker, the house will recall that last session I introduced Bill No. C-130, to amend the Canada Grain Act. The wording of Bill No. C-15 which is before the house for discussion at the present time is very similar to that of the bill I introduced last session.

Hon. members will know that Canada is best known in the commercial markets of the world for the high quality of her grains, particularly wheat. The purpose of this bill to amend the Canada Grain Act is to bring grains such as rapeseed and mustard seed to the same high standard as other Canadian grains. Ninety to 95 per cent of all the rapeseed grown in this country is exported, and it is imperative that the quality of this grain be of the highest standard that we are able to achieve.

The amendment before the house proposes to revise the present statutory grades for rapeseed to meet present day trade requirements. It is in conformity with the suggestion of the board of grain commissioners for Canada to have the Canada Grain Act reclassified in accordance with schedules A and B of the bill. It also meets with the full approval of the Minister of Agriculture (Mr. Hamilton), under whose jurisdiction fall the Canadian wheat board and the board of grain commissioners for Canada. I am sure it will also meet with the approval of hon. members of this house. Schedules A and B are based on the recommendations of the chief grain inspector for the board of grain commissioners and are in compliance with the export requirements contained in stipulations with regard to maximum percentage of foreign materials, degree of soundness and standard of cleanliness.

Clause 2 of the bill will change the definition of the grades of domestic mustard seed from the present commercial definition to a statutory definition. The committee on western grain established commercial grades for domestic mustard seed on November 4, 1953. These grades have now been revised to meet trade requirements, and the effect of this amendment is to raise these revised commercial grades to the level of statutory grades.

At their annual meeting the Saskatchewan wheat pool delegates also asked the board of grain commissioners to include the presence of mustard in rapeseed as a factor in grading. Mr. Speaker, it is not now a factor except for a declaration as to mustard seed content when rapeseed is exported. It is generally accepted in the trade that the presence of more than 2 per cent of mustard in a rapeseed sample reduces its value as a source of edible oil. The identification of mustard in rapeseed—which are similar in size and colour—requires special equipment.

I must inform the house that unless steps are taken to change the grading to that spelled out in my bill, mustard may ruin the rapeseed crop, and thus growers of rapeseed will be faced with a loss of vital markets unless they produce a crop free of mustard seed. If mustard seed is allowed to become an impurity in rapeseed, processors could not hope to use it for making edible oils.

The menace of mustard contamination of prairie rapeseed crops is now recognized by the three western provinces as being extremely serious. In southern Alberta mustard has been grown for many years, and it should be left to these places to grow all the mustard seed that can be sold. There is no need to extend the mustard acreage into Saskatchewan. This is completely unnecessary, because we could sell to the United States and other countries all the mustard they need from the crops produced in southern Alberta.

Of course, we are aware of the fact that some commercial interests are now actively encouraging the growing of mustard throughout Saskatchewan by offering contracts which might sound attractive to farmers, but the farmers are uninformed about the dangers involved. If we ignore these threats to our rapeseed crops in the west and attempt to grow mustard and rapeseed in the same areas, then I say, Mr. Speaker, that we would be killing the goose that lays the golden egg, as far as rapeseed producers are concerned. Wild mustard alone, without any additional trouble from the two types of tame mustard, would be capable of killing the market for rapeseed to be used for the manufacture of margarine or for export.

Mr. Frank Mohler of the seed growers of Maymont, this year's president of the Saskatchewan branch of the Canadian seed growers' association, expressed concern about this matter and said that growers of rapeseed faced a loss of vital markets unless they took pains to produce a crop free of mustard seeds, both wild and tame.

Dr. H. R. Sallans, oilseed chemistry specialist in the prairie regional laboratory of the national research council in Saskatchewan,

urges that rapeseed and mustard be kept separate and be grown in different fields and different districts.

Dr. Sallans expressed concern that contamination of the seeds of these two crops would affect the marketing potentialities of both. He firmly agreed with a statement made by Mr. F. Mohler, president of the Saskatchewan branch, Canadian seed growers' association, that if a district wished to keep on growing rapeseed it should give up all intention of dabbling in mustard production.

World production of rapeseed in 1961 is believed to have reached an all time high, exceeding for the first time the pre-war average level. It is estimated that the world production of rapeseed is 4.3 million short tons, some 7 per cent more than in 1960 and almost one third more than the 1950-54 average. Virtually all of the rapeseed grown in North America is produced in Canada, namely, a near record of 745,000 acres.

According to Mr. R. E. Merry, president of the institute of edible oilfoods, oilseed production on the prairies could expand to occupy at least 1,500,000 acres, if Canada is to meet her domestic needs and fill the potential demand for rapeseed abroad.

The publication *Foreign Trade* issued this month by the federal Department of Trade and Commerce, indicates that the future prospects for marketing Canadian rapeseed and mustard seed appear good. The publication also forecasts that the common market countries will provide an expanding outlet for Canadian oilseeds. Canadian exports of oilseeds in 1960 are such as to indicate that both rapeseed and mustard seed have considerable export value. In that year, total exports of rapeseed amounted to $13,240,000, and exports of mustard seed to $2,604,000. Japan and Italy were Canada's best customers for rapeseed.

Hon. members will be aware of the fact that last fall a Canadian oilseed trade mission went to Europe. After two months touring, the members of the mission returned to Canada and reported on what they had seen. The tour was organized by the Department of Trade and Commerce under the present Minister of Trade and Commerce (Mr. Hees). The government chose men to make up the trade mission who not only knew the oilseed industry but had a personal interest in it. The six nations toured were Great Britain, France, the Netherlands, Belgium, Italy and West Germany. Here are the mission's general conclusions:

The general improvement in economic conditions in western Europe will result in a continuing increase in the consumption of the products of oil seeds. The consumption of fats and oils will steadily increase in those countries, Holland, Belgium, west Germany and Britain, where present consumption is at a high level. In Italy and France, a sharp increase is envisaged as their consumption is expected to rise sharply to approach the same per capita level as that in the other four countries.

If the proposals for oilseeds, fats and oils in the common market are adopted, a greater potential will exist for increased marketings of oilseeds and oilseed meals in the EEC countries. The proposed tariffs on oils will have the effect of switching some of the trade in oils to oilseeds.

A market for rapeseed exists in all of the countries visited, providing Canadian prices are competitive with those charged for other oilseeds.

The mission made the following recommendations, and I should like to stress their importance:

1. Consideration should be given to amending the grading nomenclature of rapeseed to read No. 1 Canada rapeseed, No. 2 Canada rapeseed, No. 3 Canada rapeseed etc. Rapeseed containing in excess of some minimum quantity of mustard seed should be degraded.

Mr. Martin (Essex East): Is this recommendation in full conformity with the actual provision in the bill?

Mr. Rapp: Yes, Mr. Speaker. I was just about to say that this recommendation is in full conformity with the wording spelled out in my bill.

The recommendations continue as follows:

2. Consideration of a government agency issuing an export certificate of mustard content in rapeseed upon loading in a Canadian port.

3. Consideration of a government agency issuing an export certificate of oil content for all oilseeds upon loading in a Canadian port.

Here again I should like to draw the attention of the house to the fact that rapeseed and mustard seed are very similar in size, colour and weight. Unless some experts issue these certificates, the result will be that people overseas who buy our rapeseed may find that there is more mustard seed in the deliveries than actually appears to be the case. To proceed with the recommendations:

4. It is recommended that study and research be given to the mustard seed crop to test new varieties, increase oil content, ensure pure seed, and reduce moisture content.

5. Every effort should be made to contain Canada's mustard seed crop and to inform Canadian growers of the disastrous effects of the mixture of rapeseed and mustard seed upon export sales of rapeseed.

I am sure the house will realize how important the adoption of this bill will be to the rapeseed industry and to the mustard seed industry. As is indicated by the mission's recommendations, unless steps are taken to change the grading now in effect to the grading which is spelled out in schedule A, our rapeseed industry may suffer a severe loss.

I had some other observations to make but I see time is getting short and I should like to hear some other members express their opinions on this bill.

Hon. Paul Martin (Essex East): The house will recall that when we had before us last year an amendment to the Canada Grain Act dealing with rapeseed and mustard seed—an amendment introduced by the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp)—there was no more enthusiastic supporter of that measure than members of our party.

Therefore it was to be anticipated that I should join with the hon. member in seeking the modification for which he asks in this bill. The house will, I am sure, support the objective of this bill which is to maintain a high standard of quality, grading and moisture content, particularly having in mind that rapeseed, as the hon. member told us a few minutes ago, is exported from this country to the extent of 90 per cent of the Canadian production. This being the case we would want to maintain a reputation abroad for a high quality product, just as we do in the case of other grains.

Knowing something about the production of corn, 65 per cent of which, is, of course, grown in southwestern Ontario, I can say that we have found—

Mr. Herridge: It all comes from Essex East.

Mr. Martin (Essex East): No, it does not all come from Essex East although the highest quality may come from that area.

Mr. Pugh: A lot of corn comes from Essex East.

Mr. Martin (Essex East): The bulk of Canadian corn comes from southwestern Ontario which includes Essex East. We have found in the production of corn it is essential to maintain high grades and make sure that the moisture content is adequate to the demands of the trade. Therefore I appreciate the remarks of the hon. member in this connection.

The most remarkable thing about what is happening in the house today is not the commendable effort of the hon. member for Humboldt-Melfort-Tisdale but the fact that with respect to a measure of such great importance to the farmers of Canada and particularly those of the hon. member's constituency, there is no one on the government side of the house at this time charged with the administration of agriculture.

I would not wish to include the Minister of Agriculture in this indictment. The minister is ill and this we all regret. But his parliamentary secretary is not in the house.

Mr. Pallett: He is in hospital.

Mr. Martin (Essex East): I regret that he is in hospital. I do not know what is happening in the Department of Agriculture that has led to such a high degree of disability. But there is a second parliamentary secretary, and he is not in the house at a time when we are discussing a matter of concern to the farmers of western Canada. This bill is being discussed without any manifestation of interest on the part of the government.

Mr. Pallett: Utter nonsense.

Mr. Martin (Essex East): That is a fact. This bill should have been introduced by the government.

Mr. Jones: It should have been introduced by the Liberal government years ago.

Mr. Martin (Essex East): This bill was made possible because of the energy and foresight of the hon. member for Humboldt-Melfort-Tisdale, and members like the hon. member for Essex East and others in the Liberal party in particular who gave the hon. gentleman support.

When this bill was introduced last year we pointed out that it was of such importance that it ought to have been introduced by the government. That argument is even stronger today because we are told by the sponsor of the measure that the recommendations contained in the bill as to standards of quality in schedules A and B were approved by the board of grain commissioners. Here is the board of grain commissioners, a government body, recommending a particular course. In spite of this the government does not sponsor the bill. It does not even give an indication of interest. This is indicated by the absence of one of the parliamentary secretaries to the Minister of Agriculture.

An hon. Member: Do not talk it out.

Mr. Martin (Essex East): In addition, the Acting Minister of Agriculture is not in the house. He ought to be in his place now or someone speaking for the government should be present to—

Mr. Jones: On a point of order—

Mr. Martin (Essex East): I know my hon. friends do not like this. They wish to delay passage of this bill.

Mr. Jones: On a point of order, Mr. Speaker. In order that we may clear up this point would Your Honour refresh the hon. gentleman's memory by advising him that this is the private members' hour?

Mr. Martin (Essex East): That is not a point of order. I will not have my time taken up by specious points of order raised by the hon. member for Saskatoon.

I was complaining about the lack of interest on the part of the government and its failure to support one of its most devoted

and energetic followers, leaving it to members of the opposition to rise and support him. To indicate how substantial is my accusation and how justified I am in making this complaint let me point out that the sponsor of the bill told us that the Minister of Trade and Commerce—

Mr. Pugh: There are only three Liberals in the house.

Mr. Martin (Essex East): —had caused a commission to be sent to Europe to investigate the export potential of rapeseed and mustard seed and that this commission returned from Europe and made four recommendations. Included among the recommendations are the provisions contained in schedules A and B of the bill. That commission was not appointed by the hon. member for Humboldt-Melfort-Tisdale—although his activities may have inspired the government at long last to do something about this—it was a commission appointed by the Minister of Trade and Commerce. Neither he nor his parliamentary secretary is present today. There is no one on the government side of the house to indicate why the government appointed this royal commission—

Mr. Starr: I am here.

Mr. Martin (Essex East): —or why it has not come to the support of the devoted and energetic little member from Humboldt-Melfort-Tisdale who today in this important effort is being supported by members of the Liberal opposition.

Mr. Pugh: All three of them.

Mr. Martin (Essex East): Therefore, Mr. Speaker,—

Mr. Pugh: All three of them.

Mr. Martin (Essex East): Mr. Speaker, I know I am fighting along with the hon. member for Humboldt-Melfort-Tisdale against this great galaxy of government members, these numerous members of the Tory party, who are embarrassed at this moment by the absence of ministers who should assume responsibility in this field, including the Minister of Trade and Commerce, his parliamentary secretary, the Acting Minister of Agriculture, and also one of the parliamentary secretaries to the Minister of Agriculture.

Mr. Starr: The hon. member is laughing.

Mr. Martin (Essex East): In spite of these catcalls—

Mr. Pallett: Stop smiling.

Mr. Martin (Essex East): —and in spite of the efforts on the part of the whip of the Conservative party and others—

[Mr. Martin (Essex East).]

Some hon. Members: Oh, oh.

Mr. Pallett: Why is the hon. member laughing?

Mr. Martin (Essex East): I am laughing with sorrow at hon. members opposite who are not showing the proper interest in this matter.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): It is laughable that a government with such a large majority does not find it possible when one of their own comes forward with a good measure to give him the support his bill deserves. This measure deserves support. We should pass it right away. The bill should have been introduced by the government.

Mr. Dinsdale: Don't talk it out.

Mr. Martin (Essex East): I commend the hon. member for bringing forward this measure to maintain high standards of quality with regard to a commodity 90 per cent of which is sold in the markets of the world, and particularly, in Japan and Italy.

It is now one minute before six o'clock. I suggest that we give immediate passage to this bill and in doing so that we express our regret at the lack of interest in it on the part of members of the government.

Mr. Jones: The hon. member has talked out the bill.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, as one of the spokesmen for prairie agriculture in this group I wish on its behalf to express support of this bill and join in the fight with the hon. member for Essex East and the hon. member for Humboldt-Melfort-Tisdale against the inertia and lack of interest on the part of the government with respect to this measure.

Mr. Pugh: Shame.

Mr. Herridge: I congratulate the sponsor of the bill for his courage, industry and efforts in this respect.

Mr. Dinsdale: He is an excellent Conservative.

Mr. Herridge: I commend him for proceeding in the face of the little support he has received from his party. Because I have more to say on this bill I move the adjournment of the debate.

Mr. Martin (Essex East): Would the hon. member not consider modifying his proposal? Could we consider that we have not yet reached six o'clock so we could pass this bill notwithstanding the fact that the government shows no interest in it?

Mr. Starr: Mr. Speaker, I rise on a question of privilege.

The Acting Speaker (Mr. Chown): Does the Minister of Labour wish to pursue his question of privilege?

Mr. Starr: I merely wish to point out to hon. members of the house that it is now six o'clock and that the hon. member for Essex East talked out this bill.

Mr. Martin (Essex East): On a question of privilege, Mr. Speaker, the Minister of Labour who usually confines himself to those things of which he has some knowledge—

Mr. Browne (St. John's West): Not like the hon. member for Essex East.

Mr. Martin (Essex East): —has raised a question of privilege. I am now proposing that the house which is master of its own rules sit beyond six o'clock and give passage to this bill.

Mr. Starr: The hon. member talked it out.

The Acting Speaker (Mr. Chown): The hour for the consideration of private bills having expired the house will now proceed to a consideration of the business which was interrupted at five o'clock.

SUPPLY

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

DEPARTMENT OF PUBLIC WORKS

1. General administration including a grant of $2,000 to the Canadian good roads association, $11,098,000.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Peters: Before the house rose for the recess I was mentioning the fact that there seemed to be a need for a change in the requirements particularly of young people, in the field of national housing. I had indicated that there was a period in which when income was low there was a need for increased facilities and that in later years, when the mortgage was paid off, many of the homes that had been necessary for the young family were not necessarily satisfactory for the retired family. I had suggested that some consideration should be being given now in the form of a study in order to find out whether there is not a better way of solving this particular aspect of the housing problem. Certainly this situation is developing in many of our cities where it is not necessarily advantageous to own a house at all or it may be much wiser to rent the type of accommodation that is necessary.

This is being done in some the cities through the co-operation of some of the municipalities and the federal and provincial governments in order to allow people to rent homes according to their requirements for the number of children they have and taking into consideration their wage structure and the money available to that family. It may mean that those with a high income will be obliged to pay a much higher rent for the same accommodation than would be paid by workers with a low rate of pay. This may raise the general problem whether or not we have not bent over backwards in Canada, because of our free enterprise background, our pioneering spirit, in the fact that we have jealously guarded this business of house ownership. Certainly they fostered the idea of house ownership. It may be the situation that in years to come it may be advantageous for the government to know whether it would be wise to use rental systems, particularly for low wage earners or low cost rental projects. Some day it may be true that it is not advantageous to buy a house, to make the payments on a house over a very long period of time, and that these houses may be government owned, municipally owned or owned cooperatively by the municipalities and the governments, where the financing can be spread out over an even greater period of time than 25 years.

As we all know, there are in existence now many homes which are serving their occupants very well and which have been built over a period of 60 years or 70 years and in some cases over 100 years, with modifications, of course. This was pointed out quite strongly by Mr. A. C. Ashforth, president of the Toronto-Dominion bank, in an article which appeared in the Prince Rupert daily *News* of December 6, 1960. In this article he points out as follows:

> With a 35 year mortgage ... the principal repayments for some years will be less than normal depreciation. Apparently the government expects inflation to continue in the housing market.

He goes on to point out that these houses in 10 years may be worth less than the payments that will still be owing on them. He then goes on to say this:

> We need to consider if we are not building the wrong kind of houses, for the wrong reasons, in the wrong places, designed for the wrong people, at the wrong time.
>
> Present policy directs N.H.A. financing into new houses and refuses to extent any aid to people buying existing houses. It drives young families into new houses and pushes them into the suburbs

and this multiplies the demand for services of all kinds, and adds to the speculative and inflationary pressures on land values.

This situation has become fairly common in the city of Ottawa as I imagine it is in other cities where there are many houses that are not being used this year because of the fact that the market for that particular value of house in many cases has not kept up with the expectations of the contractors.

I should now like to turn to something else. The minister probably can explain this matter. However, when I checked on the Department of Public Works annual report I found that the last report I have been able to obtain was for the fiscal year ended March 31, 1960. I think we should at least have had the report for 1961. I would strongly suggest that the department is at fault or is remiss in its duty to the members of parliament when it does not provide the preliminary study for the current year, whatever year that may be, so that we can discuss in some detail not necessarily the exactitudes of the department but certainly the trend that is developing. I think this preliminary report should be an up to date report, should cover the last six months and should give an indication of any change of policy in which the government is engaging. I think the actual report itself should be for the last fiscal year, not for two years ago. I do not know why this is not possible, and I would like the minister to indicate why it has not been done.

Now, Mr. Chairman, I am interested also in discussing this matter of public buildings. It is my opinion that there is a trend developing in the Department of Public Works that would indicate that patronage, which I believe had been almost completely removed from the department under the previous minister, is now returning to the department. I do not want to say any more on that. I think that this is something that the government should be guarding against.

Mr. Walker: Mr. Chairman, the hon. member is making a serious allegation. He either should put up and give some information, or shut up and withdraw. I resent that very much.

Mr. Peters: I do not want to go into the matter to any extent, but I will use an example.

Mr. Walker: Give us some good examples, not just the usual fiction.

Mr. Peters: Mr. Chairman, if the minister would contain his asinine self and remain in his seat until someone else has had an opportunity to reply, he would find that I am not going to do so in the manner in which he did. There can be very few as ignorant as that. No one else is going to reply in that way. We do not want to get into the same field as he is. There was a case in recent times in which a considerable amount of discussion at the political level affected a particular public building in my own area. This matter was discussed last year and was brought to the attention of the minister. Remarks have been made about it. I am not making any further comment on it except to say I do not think this is the way any department of government should function.

Now, Mr. Chairman—

Mr. Walker: Give me the particulars of that; the only chance I have seen of any patronage in the hon. member's riding is when he, himself, is trying to get something.

Mr. Peters: I am not in business, and there is no possibility of my getting any patronage.

Mr. Walker: You will soon be out of business.

Mr. Peters: The minister, if he wishes to ascertain these facts—

Mr. Walker: Put up or shut up.

Mr. Peters: I wish the minister would shut up. I am getting very tired of listening to him.

Mr. Walker: You will get more tired.

Mr. Peters: I would be quite happy if he would shut up, Mr. Chairman. The patronage that this hon. member could get from this or any other department is nil. I have no company. I am not engaged in any form of business other than being a politician. There is no opportunity for the minister to make the remark that he did. I am not connected with any company and have never been, other than gold mining in which I was an employee. I doubt if even the minister is suggesting that I am asking for patronage on behalf of the mining industry.

I have been very pleased with the buildings that have been erected by public works—

Mr. Walker: Mr. Chairman, the hon. member has given us no instances of any sort.

Mr. Peters: If this is a point of order, I will listen to it, but if it is not a point of order—

Mr. Walker: I ask him to withdraw.

Mr. Peters: —I am not much interested in what the minister has to say.

I have been very pleased with the type of building that the Department of Public Works has been erecting. There have been two or three small post offices constructed in my area. They are very functional buildings. I like the style and I like the architecture of these buildings. I believe the department is

now following the proper course in building these post offices. They are not ornate and are a decided asset to the areas in which they have been located. They are a credit to the communities and a credit to the Post Office Department for whom they have been built.

There is another problem I should like to discuss about which questions have been asked in the house. I refer to a survey that was conducted by the Department of Public Works in relation to the port of Moosonee. The provincial government has been very interested in this project. The Ontario Northland Railway, which is owned by the provincial government, has been interested in the development in the port of Moosonee, as have a number of other companies including some serving the Hudson bay area in connection with the Department of National Defence. I refer to the Bell Telephone Company, Marconi and others connected with communications in that area. The survey was conducted to ascertain if there would be any economic justification for a complete survey being undertaken. To date, we have only had a report from the provincial government on their decision which was made as result of this survey.

I hope that during the discussion the minister will see fit to give us a report. We understand a negative decision has been reached but we would like to have the facts so we can make a decision as to whether or not a port is feasible at this location, and what the estimated cost of the port would be. We should like to know also whether or not the federal government will give consideration to assisting in the building of this port.

The people in northern Ontario are not entirely in agreement with the chairman of the Ontario Northland Railway who envisions a very large port being developed at Moosonee. He also can see in the very near future a large industrial development taking place in that area which would justify the large expenditure that would be necessary for the installation of a deep sea port in that area.

I think the Department of Public Works must be concerned about this matter because they have a dock at Moosonee that is in very bad shape. The department will either have to do something about fixing that dock or give some consideration to a long range program which would improve the establishment of a deep sea port in that area. The reason we are interested in this problem is that if the port is developed it will mean a flow of trade into northern Ontario to service the industries which will develop in that area. It is quite true that there is a large iron ore development possible in the Belcher islands. The amount of ore has been ascertained and the grade of that ore is known. There is a market for it in Europe when the mine is developed. I believe the people in northern Ontario want to make sure they have the facilities available to supply the needs of the Belcher islands and the Hudson bay area from Ontario, rather than have all the produce come from Europe via Hudson strait. I think it is important to the people of northern Ontario to know just what to expect from that particular development, how much it is going to cost and what the possibilities are.

It may be that the department has decided the project is not feasible at the present time but may be at a later time. It may be possible that some of the work can be undertaken as a means of aiding the employment picture in that area. It may also be that some of the work could be done in the winter or that there are other factors which would make the project more or less feasible.

I would also like to make some comments about the buildings that are being built in Ottawa for the various departments of government. I have no fault to find with their architecture, and I agree with what the minister said today that their architecture is modern, pleasing to the eye and appears to be functional. In my opinion the buildings are worthy of the federal government; but I am not sure about the development of a planned scheme, if there is one, nor do I think the locations of these buildings are as well conceived as their design.

In my opinion there would be a considerable advantage gained were the government to group these buildings into a set area, keeping them closely together. At the moment it appears they are being spread out all over the city of Ottawa, and that we are as unplanned in our development as the city itself is in its development. Parliament should be presented with a long range program so that hon. members would have a much better understanding of what the government intend to do and have accomplished 20 years from now. By having that program we would know how the gaps which appear to exist at present would be filled. At the moment our expansion appears to be haphazard, with buildings going up on a piece of land here, a piece of land there, and have no all-embracing scheme covering them.

For example, I refer to the Department of Mines and Technical Surveys. The old buildings housing that department were not so old, they were well grouped in one area. Recently however we have undertaken a building program for that department which does not appear to fit in with the buildings we already have.

I presume that the national capital commission and national capital development are

in very serious straits, although I am pleased to note that we have a chairman who seems to be easy to get along with in those matters. However, I know there must be a lot of fun in this planning stage, with the minister having the temperament he has and the mayor of Ottawa having the temperament she has. The two of them must have a great time together. There is a great similarity between the two and I imagine there is great fun when they get together to decide something between the commission and the city. This is a field in which we are looking for improvement and there appears to be a great deal of room for that improvement.

I should also like the minister, when replying to some of the questions that have been raised, to give us a report on the progress and further intentions of the government in relation to the modernization of the west block and the building of the tunnel between it and the centre block. I presume it cannot be helped, but we hear a great deal of complaint, from the hon. members occupying the west block, about the drilling which has continued over a period of time. While I do not object to that, having run one of those machines for many years and having listened to its noise, I presume it can be very discomforting to the hon. members who have to work in that atmosphere. I hope the minister will be able to tell us what the schedule is and whether the drilling is going to continue for long.

I do not know that I am too appreciative of the minister but I do find that this department, despite the minister, is considered to be a very good one. With the one exception I have mentioned, the officials of the department have always been very courteous and always know what they are talking about. I have been to see them on a number of occasions about matters in my riding, and I believe the department has capable officials who are doing a very good job and who should be given credit for it. However, I think the minister will agree with me in saying that it is never so good that it cannot be better. For these reasons I have raised the problems I raised today.

(Translation):

Mr. Pigeon: Mr. Chairman, first of all, I should like to commend the Minister of Public Works (Mr. Walker) for having replaced all signs inside the parliament buildings and on nearby buildings by bilingual ones. The purpose of this step is to show to the Canadian people and foreign visitors that there are two official languages and racial groups in Canada. Moreover, following requests made by members of the house and representatives of the people, he pursued the task undertaken when he had bilingual signs put on all buildings in the national capital.

Mr. Chairman, some time ago, I asked the minister to make a survey in regard to the dredging of L'Assomption river from Le Gardeur de Repentigny bridge to the city of Joliette. The dredging of that river is essential to the economy of the district.

Mr. Chairman, after that project has been examined by the senior officials of the Department of Public Works, I wonder if it would not be necessary for the provincial and federal authorities to come to an agreement in view of the fact that, in the province of Quebec, non-navigable waters come under the Quebec streams commission. I would appreciate such an examination being undertaken as soon as possible by the engineers of the Department of Public Works—who, I am glad to say, are most competent—so that this project may be carried out shortly if it comes under the federal authorities or so that negotiations may be opened between the provincial government and the department for the purpose of reaching an agreement in that connection.

Mr. Denis: That is a joint program.

Mr. Pigeon: I mean while respecting provincial autonomy instead of flouting provincial rights, as you did for 20 years.

Mr. Chairman, please excuse me for this digression. I should not bother to reply to one who was of no value to his party when they were in power. He was here for 20 years without uttering a single word. Today, he is completely changed, he is not the same man. I am sure that the Canadian people will see to it that he is eliminated along, with his friends, for another 20 years, which should enable the Liberal party to amend itself and to obtain better men for the future.

Mr. Fortin: With Maurice Sauve, what a chance they have.

Mr. Pigeon: Mr. Chairman, I know that the federal government is contributing, on the average, 50 per cent to the construction cost of the trans-Canada highway. This highway will run through the province of Quebec, and there is a strong possibility that it will pass on the south shore. The north shore of the St. Lawrence river, that is from Joliette to Trois Rivieres is one of the richest regions of the province of Quebec.

In the first place, it is one of the oldest regions and is also tremendously rich in woodland. Moreover, its land and water wildlife is most interesting, and Montreal sportsmen go fishing and hunting in the region north of Montreal, in some areas of my constituency of Joliette-L'Assomption-Montcalm and in the constituency of Berthier-Maskinonge-Delanaudiere. They even build summer camps in those areas.

Consequently, and in accordance with representations made by the mayors of the Joliette-L'Assomption-Montcalm riding, that is from L'Assomption to Trois Rivieres, I ask the minister whether the government could not consider the advisability of running the trans-Canada highway through our region, extending the metropolitan boulevard to Trois Rivieres and thence towards the south shore, if advisable.

I know that Mr. Mongrain, the mayor of Trois Rivieres is entirely of the same opinion, like the mayor of the town of Joliette and all the mayors in that area who fear economic difficulties. One must recognize that this $150 million highway is some kind of a door opened to industries. I am wondering whether the government of the province of Quebec, who is responsible for the route, will decide that the trans-Canada highway is to be built on the north shore of the St. Lawrence river rather than on the south shore, to bring industrial development to those areas. Otherwise it should announce without delay its intention of building a highway on the north shore.

I would not want the Joliette area and the northern part of the province of Quebec to be pictured as some underdeveloped country. I do hope, Mr. Chairman, that the government of Quebec will not delay progress and will make an affirmative reply in the interests not only of the people in Joliette-L'Assomption-Montcalm, but in the whole province.

Mr. Chairman, I would like to know if the minister has received many requests from Canadian municipalities, particularly those in Quebec, about the construction of sewage treatment plants. It would be advantageous on many counts for the Canadian municipalities to seize the opportunities offered them by the Central Mortgage and Housing Corporation. I feel the solution of this problem is now essential.

The chambers of commerce and other organizations are paying a great deal of attention to the matter. I would be very happy, Mr. Chairman, if the minister would tell us whether he has received any request from the various provinces and especially whether he has received any from the province of Quebec.

Mr. Meunier: Before dealing with the remarks made this afternoon by the Minister of Public Works (Mr. Walker), I would like to reply to the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon).

Mr. Denis: It is not necessary to reply to him.

Mr. Meunier: He would like to see the trans-Canada highway—

An hon. Member: Not necessarily another road, if possible.

Mr. Meunier: —pass through the constituency of Joliette, now that the laying out has been made, chosen and decided. I surely think that the hon. member preaches in the wilderness. He should have made up his mind before 1960, when the construction of the trans-Canada highway was just being started. He then could have had a chance of having it go through his hometown.

Mr. Pigeon: The laying out of the trans-Canada highway was done by the former administration.

Mr. Meunier: I shall not spend any more time on the questions asked by the member for Joliette-L'Assomption-Montcalm. I am going to deal with the speech made by the minister this afternoon. In fact, he started it with a stormy tone of voice. Happily no scuffle resulted from it. The minister must agree that he personally through his remarks aggravated the house members. He pointed out that only a few members were sitting on the opposition benches but he had not looked on the government side where there were only about 45 members present at that time.

Mr. Deschatelets: Out of 206.

Mr. Pigeon: You have already been defeated by one vote when you were in office.

Mr. Pallett: They were 80.

An hon. Member: You see double.

Mr. Meunier: Privately, the minister is congenial, he is a good chap. But as soon as he rises to speak in the house or elsewhere in public, his attitude changes entirely.

An hon. Member: So does Mr. Lesage's.

Mr. Meunier: I said that when the minister rises in the house it seems that his attitude changes. He has a knack for aggravating his listeners. It seems that he does this in order to distract our attention and thus prevent us from noticing that he is overstating the facts. The minister talked about the various activities of his department and devoted much of his speech to housing.

He reviewed the measures taken by his government under that act. He gave us interresting statistics about the houses built and the amounts invested. But he was modest, because he could have mentioned that the National Housing Act was enacted by a Liberal government and expanded, only, by the present government, which is trying to extend its scope to all the citizens of Canada.

If such was the case, the government failed to achieve its aim. As the hon. minister knows, I represent a Montreal constituency. And the housing statistics for the city of Montreal do not agree with those the minister gave us this afternoon.

Although the minister lives in Toronto—I do not envy him—he must not forget that Montreal is the largest city in Canada and that it does keep statistics too.

The minister gave us, this afternoon, statistics for the whole of Canada. I can tell him that there is an area in Canada where things are not going so well, and that is the city of Montreal.

This afternoon the minister told us that construction started on 125,767 houses in 1961, an increase of 15 per cent over 1960. However, in Montreal, during the first seven months of 1960, housing starts totalled only 8,844 compared to 12,187 during the same period in 1959.

In 1961, the number of building permits in Montreal decreased by one third compared with 1960, and in 1960 it had decreased in comparison with 1959.

The year 1961, which just ended, ranks eighth for the total value of construction, the record year being 1959 with the building of the Dorchester street skyscrapers, in Montreal. The year 1960 came fourth.

This afternoon, the minister stated that during 1961, 3,300 housing units had been built by limited dividend housing companies, of which 2700 were for low income families. I regret that he was not able to give us statistics for each province. However, I can say that very few low rental units have been built in Montreal.

At the present time, apartment houses are being built in Montreal, which are of little value for low income families.

[Mr. Meunier.]

I would be remiss if I did not point out to the minister the cause of the decline in the construction industry in Montreal. There is only one cause and it is that lots or building sites have reached a very high price.

It is true, as the minister pointed out, that housing construction plays an important part in the economy of the nation. In fact, activity in the building trade is a sign of prosperity because all trades are employed.

However, since 1957, while this government has allocated millions to housing, the price of lots has gone up sharply, and a large number of building contractors had to quit that trade, being unable to sell their houses because they had to ask for a price that the buyer could not afford.

The minister stated this afternoon that one family out of seven is living in a new dwelling. That may be true, but I can tell him that it is not the case in the city of Montreal.

The result is, Mr. Chairman, that, with lots being priced too high, single family properties are out of reach for workers and white-collar people. I daresay that one with a $6,000 to $7,000 yearly income and a family of two or three children also finds himself in that category.

Since the minister referred to low cost dwelling units, I hope he will take into consideration the request he received from the mayor and the chairman of the executive council of Montreal for a housing project, under section 6 of the act, on the St. Sulpice Domain and Trinitaires boulevard, in Ville Emard.

The plan submitted by the Montreal municipal authorities was designed to house civic employees. I do hope that the minister will give an affirmative reply.

Newspapers have mentioned that the minister was opposed to these projects because he had been told that there were too many empty units in the city of Montreal. That statement is partly true. However, the apartments which are unoccupied are not one family units but mostly small units of three or four rooms in apartment buildings unsuitable for large families.

Because of the high cost of land, apartment buildings have been built for the past two or three years, to cover entire city lots in Montreal leaving no space back or front. Needless to say, those buildings are not fit for workers with children.

I should like to make one last remark to the minister concerning the research to be carried out on public housing and community planning, under section 5 of the act. This afternoon, he told us that his department is continuing its research in the field of urban housing districts. I note however, on page 363 of his estimates, that the item of $1,649,000 we were asked to vote last year, does not appear this year. Yet, research is very important in this field. Regulations should be enacted, with the co-operation of provincial and municipal authorities, for the guidance of the building industry and for the classification and development of land.

In this respect, I should like to draw the minister's attention to a report which was published in the January 19, 1961 issue of *La Presse*, during the conference of the home builders' association which was held in Montreal, under the chairmanship of Mr. John Parkin, of Toronto. The report recommended the establishment of a Canadian research institute on urban centres:

> The establishment of a Canadian institute of urban area development would be of immense value not only for the building industry, but also for the general economy of Canada. The creation of such an organization is essential to put an end to land speculation and bring a necessary orderliness in the many housing development projects to be carried out in future years.

Further on, it is stated:

> Mr. Parkin feels that it is abnormal for one of the largest industries in this country, the building industry, not to have as yet established its own research centre. Starting from a recent report prepared by the Canadian architectural institute, Mr. Parkin broadly defined the functions of such an organization. It should first of all offer guidance to the building industry throughout Canada, indicating what type of housing would meet the requirements of the Canadian people. It then could deal with land classification and with its development. In a word it could study from an economic viewpoint those districts and urban centres which are developing, in order to regulate their expansion.

Mr. Chairman, I pointed out a moment ago to the hon. minister that if housing construction has slowed down in Montreal, it is due to the high price of lots and also to inflation that has affected those lots since 1957.

Well, this is the content of this builders' report under the title:

A Gold Mine.

It is said that the convention:

> Contended that speculation upon building sites was a real gold mine for those who exercise it, exactly because it does not require expensive work nor is it subject to taxation. It pointed out that it is done on a large scale all through this country and that it is responsible for most of the numerous problems arising from many home building projects.

Une mine d'or.

He explained that, due to this speculation, several towns are going right now through an abnormal and very expensive expansion. He remains convinced that this situation can and must be corrected through the adoption of some taxation procedure.

I do hope that the minister will agree that the report issued at the builders convention makes sense and if he is interested he could get a copy and consider it. That may suggest to him means of stopping the inflation of lot prices so that all Canadians may eventually possess their own homes.

(Text):

Mr. Walker: In reply to the hon. member, may I say that the number of housing starts in Montreal in 1960 was 16,345 and in 1961, it was 17,204.

Mr. Slogan: In rising to say a few words on the first item of the estimates of the Department of Public Works I should like, first of all, to commend the minister on the hard work he has done in the department and on the sympathetic hearing he has given us. Often we have had to lay a rigid case before him, and sometimes, when we did not have all the facts, he turned us away until we did. But I must say when we had a good case and had the people behind us he was always sympathetic toward the provision of anything that was needed in the constituency.

In this regard I was interested in references made by the opposition to patronage. It seemed to me that every time an hon. member who supported the government got something for his riding it was considered patronage. I suggest that if opposition members followed the example of many of us on the government side, worked a lot harder for their constituencies and talked a lot less in this house, the people in their ridings would be a lot better off.

There are three items in the estimates which are of particular interest and concern to me. One has to do with the wharf at Berens River, provision for which is in the estimates this year in the amount of $65,000. I might say that a request for a wharf at Berens River has been made year after year, always failling upon deaf ears. But there was something new added last year. I may say that I have made a request for such a wharf on a number of occasions since I was elected a member of this house and I was happy to see that these representations have been successful this year.

Berens River is an isolated community on lake Winnipeg. There are no roads to it, and those who live there must depend on air and water transport. There has been a Hudson Bay wharf there for a number of years but this has been condemned. Whenever we have sent engineers in to decide what to do about a wharf they found that some of the people wanted it on one side of the river and others wanted it on the other side; they never seemed to be able to make up their minds. Well, this little community of 125 families formed a community development association. They have an Indian reserve there, and most of the people are métis. But since they formed this little group last year they have received $20,000 to clear an air strip so that planes can land during the break up and freeze up seasons. This air strip will also serve as a hay field so that they can grow hay for cattle during the summer.

I had the pleasure of visiting Berens River a few months ago to inspect the old wharf and I was received very kindly by this committee, which has now presented a united front. That made it much easier for a member of parliament to present their case to the minister and I thank them very much for their co-operation in this regard. Here is a small community which has shown what a small community can do if the people work together. I have mentioned that $20,000 was spent last year on an air strip. A pulpwood co-operative has been formed this year and about $40,000 will be received from pulpwood under this scheme. This will provide employment in the area.

Last year, too, this isolated community which was in dire need of some health facilities received a $50,000 nursing station located there from which public health nursing can be carried on into the north. Indeed, the northern area of my riding which is extremely isolated reminds me of that series of television programs entitled "The Flying Doctor". We have that type of service in my area.

A few years back we were also fortunate enough to have established at Little Grand Rapids a $41,000 nursing station.

It has been impossible to build a road northward along the eastern shore of lake Winnipeg. Under the roads to resources program we received $1.5 million to extend roads into the remote areas. However, the terrain is such that it is impossible to build roads northward; therefore they mostly run eastward toward the Ontario boundary. As a result of this wharves along the lake are very important from the standpoint of transportation and as a means of providing a livelihood to the fishermen.

[Mr. Slogan.]

In the last few years improvements have been made in several villages along the eastern shore of lake Winnipeg. There was a wharf extension at Princess harbour which cost $7,700. Some dredging was done at Pigeon point which cost $5,500. There was some rock blasting in the harbour and dredging at Rapid Point which came to approximately $10,000.

We have had problems with regard to the locks at St. Andrews on the Red river because of the low level of water. As a result there has been a terrific odour. Of course, the city of Winnipeg is largely responsible for this. However, the Department of Public Works has been most co-operative in trying to alleviate the situation.

The locks at Lockport require an expenditure of approximately $50,000 a year for maintenance and operation. In the last three or four years it has been found necessary to build a retaining wall because of the nature of the soil in the area which causes the banks of the river to slide in. With building the retaining wall, painting the bridge and undertaking various other projects an expenditure of approximately $93,000 was made.

We have three canalmen at Lockport. They are the only canalmen in Canada who come under the Department of Public Works. Complaints have been received to the effect that they would like to be put in the same category as the other canalmen across Canada. I would ask the minister to give this consideration, if possible. They feel they have been discriminated against in some manner. Although they have been extended sympathy and their working conditions have been improved somewhat, they feel they would like to come under the Department of Transport as do all other canalmen in Canada. Of course, the civil service commission is involved and we have not received too much co-operation from that body.

In North Kildonan we have a suburban area which like all other suburbs of major cities witnesses the construction of approximately 200 and 300 new homes every year. Nearly all these homes have been constructed under Central Mortgage and Housing Corporation loans. Most of the people in the area appreciate the action of the government in increasing maximum mortgage funds available and amending the qualifications of eligibility.

The mushrooming of the suburban area has created a number of problems and led to new necessities. One of them is a postal service. I was glad to see in the estimates this year provision for a postal letter carrier depot to be constructed in East Kildonan on the border of North Kildonan which would serve both areas. I believe the value of this depot would be approximately $65,000.

With respect to Central Mortgage and Housing Corporation let me say this. A year or two ago in this house we had a great debate about the Whiteshell nuclear research establishment. The Leader of the Opposition was very persistent in attempting to have this establishment located in his own riding. Members of the C.C.F. group urged that it be located at Elliot Lake. Progress has been made at Whiteshell. Approximately $1.5 million was spent there last year and approximately $4 million will be spent this year. Of that sum approximately $1 million will be spent by Central Mortgage and Housing Corporation in constructing the new town site at Pinawa. To date at that townsite three land clearing contracts have been let by C.M.H.C. in the amount of $61,130 and three contracts have been let for sewage and water supply and for road bases which total a little more than $1 million. I believe an additional $1 million will be spent at the townsite in the coming year. This will provide a great deal of employment in the area. We expect that approximately 500 men will be employed there.

That brings to mind the often misquoted statement made by the Prime Minister in Prince Albert on February 14, 1958 when he said that no man or woman would suffer unnecessarily from unemployment in Canada as long as they could be helped by public works. This is but one example of how the national policy of the Conservative government is working and how this party is trying to spread public works across the nation to provide equality of opportunity.

Here is Springfield, an area 300 miles long and 150 miles wide. When a C.C.F. member represented the constituency not one public works project was undertaken. Many pages of *Hansard* were filled by the hon. member but not one project commenced while he was the member for that riding. Then the Liberals represented the riding for 22 years. The Liberal representatives did not talk very much but they also did not accomplish very much. As far as I can ascertain only one or two buildings were constructed in the constituency between 1935 and 1957. Here was a great area neglected. Ninety per cent of the young people of that area had to seek opportunities elsewhere. Today for the first time they can find employment with the research establishment. Not just the ordinary labouring man can find employment at the construction site, but the brilliant young people attending universities will find an employment outlet at this research establishment.

It was interesting to note that when the Leader of the Opposition made his request that this establishment not go to Manitoba he mentioned as a reason the fact that there would be unemployment at Elliot Lake. Many of the young people in my constituency were working at Elliot Lake. I think it would be very nice to have something to offer them in Manitoba. After all, approximately $300 million has already been spent in Ontario by Atomic Energy of Canada Limited.

This project is welcomed in my riding by people of all political denominations. I may say the Leader of the Opposition will receive a rare reception if he ever shows himself in Springfield.

Recently we have had a swap deal with the United States under which the Pine Tree radar stations now come under Canadian jurisdiction. We heard some criticism from the opposition about this. Here is another instance where C.M.H.C. has been able to step in and look into the matter of housing for this radar station which is now called the Beausejour R.C.A.F. station. When it was occupied by the United States it was operated of course, as a foreign base. There were fewer married men, and many lived in trailers. Now that Canada has taken over the base there has been a great demand for expansion in the area to bring it up to normal requirements for a domestic base. In the last couple of years $795,000 was spent there. We expect that $1 million, approximately, will be spent on housing this year. I believe that the Department of Public Works through C.M.H.C. will be asked to administer housing in the area.

A great deal of employment has been created in the area. The staff at the base has been increased substantially and employment will increase when C.M.H.C. undertakes to provide housing. In this regard I should like to say to the minister—and this is also a decision for the Department of National Defence—I hope the town of Beausejour and village of Lac du Bonnet might be given consideration for part of this housing. I believe approximately 100 homes will be required. Of course there is the other side to the story and that is that with this lovely new town of Pinawa going up, it would be nice to have housing situated there, and to have some consideration given to this matter. Pinawa is located on the lake. There is an attractive summer resort area there and it will have all the modern facilities of any town. It will be a showplace for Manitoba.

I forgot to say also that this summer at Lockport we will continue the extension of the retaining wall. I think there has been a vote of $10,000 for that purpose.

In Springfield we have something like 3,500 Indians. As I said before, we have put up a service for them something like the flying doctor service. In this regard the

Department of Public Works, in conjunction with the Department of National Health and Welfare, put up a nurses' residence last year which cost $112,000. I understand that plans are under way to amalgamate the Indian affairs hospital along with that in the pulp and paper town of Pine Falls and that something in the neighbourhood of $400,000 will be spent there in the coming year.

We have in our riding beautiful Fort Garry, the old stone fort, which is one of the few forts remaining intact. We hope by 1967 it will be our own showplace in Manitoba. This was the fort that was locked to visitors when I was elected. I raised this matter. I might say that last year something like 50,000 visitors signed the guest book. We have put two guides in. This year we are building there a museum that will cost something like $50,000.

I think that just goes to show you what a member can do if he works hard for his constituency.

Here was an area that had been neglected since confederation. When you walked into it, you found it was an area that was barren. There were no roads to speak of. There were no opportunities. The young people, as soon as they got out of school, were obliged to go and seek their livelihood in the great city of Winnipeg. Many of them found their way to Toronto and to the east, many of them going to the United States and so forth. So we saw that under the Liberals at least 50 per cent of the young people in the province were leaving and as far as the rural areas were concerned probably it was more like 90 per cent. Now, under this national development policy of this government through these public works and other projects we are trying to keep our young people at home with their families, where they can get married and raise families and find some opportunity. That is what our policy is designed for, namely, to treat all areas alike and to bring those that are underdeveloped up to the standards we can see elsewhere.

I could go on to talk about a large number of other things. There is the trans-Canada highway that runs through my riding. Several million dollars have been spent on it. There is a south and north perimenter road around the city of Winnipeg. The south perimeter road, of course, has been proceeded with and is being widened to four lanes, but in the north perimeter road we have not yet reached the stage of building the bridge across the river. I might say that, with the traffic pattern in the suburbs of Winnipeg, there is an increasing demand for this bridge and that the municipalities in the area are very much concerned about it. There is an oil refinery on one side and there is a great deal of traffic from the east to the west and from the west to the east as far as gravel trucks are concerned. Some of the best gravel is found on the east side. There is a great deal of crossing the river because of the mushrooming of the suburbs. The traffic patterns indicate that this bridge should be proceeded with at the earliest possible moment. This, of course, is not the decision for the federal government. It is rather a decision for the provincial government. However, I think the people in the area should know that we are very much concerned about the matter and that we are certainly going to see that this bridge is built at the earliest possible moment.

As I say, the Department of Public Works has been most kind to us. I might also say that it was not very easy to get all these things. It was not a matter of writing to the minister and saying that I want this or I want that. If he gave it, he wanted to know the reason for it. Often it was with the co-operation of municipalities in the area, and other groups there that we could bring the need before the people.

I think this record of accomplishment in Springfield is a record of which I can be proud. I am willing to place it against that of any other member of parliament who ever represented the riding and against all the members of parliament who represented the Liberal party in the riding since confederation. I should like to stack it up and see how it matches. I think it would match up very well. This area had been neglected for so long both by the provincial Liberals and the federal Liberals that it was inevitable that much of this had to be done, and we were the party that came out and did it. There were many things that the Liberals said could not be done. However, with a little bit of conscientious hard work, we did them.

I do not want to drag this discussion out, Mr. Chairman. I have a great deal more that I could say but I think most of it would not come under this department. In refutation of the member of the New Democratic party who talked about patronage, I should just like to say that if that little group over there did a little bit more hard work, a little bit less talking and became a little bit more concerned with individuals in the places in the riding, they too could have a record like this one to show their people.

The Deputy Chairman: I recognize the hon. member for Vancouver East.

Mr. Meunier: I wish to ask the minister this question. In his remarks a few minutes ago he gave statistics for the condition in

Montreal in 1961. I wish to ask him whether he was giving the figures for Montreal only or for metropolitan Montreal.

Mr. Walker: For metropolitan Montreal.

An hon. Member: That is different.

Mr. Winch: Because I think it is the right thing to do, Mr. Chairman, I should like first of all to thank the Minister of Public Works and his deputy, General Young, for their courtesy in answering in connection with any problems I have raised with them since the last introduction of item No. 1 of the Department of Public Works. I am one of the relatively few members in the House of Commons who can rise in his place and speak on item No. 1 of the Department of Public Works in a particular way as I have not a federal building in Vancouver East. As a matter of fact, to my knowledge there is no federal public works expenditure in the entire set-up of Vancouver East. That is why I say I am one of the relatively few who can rise in his place and speak on this item when there is nothing spent in his riding. What may surprise you, Mr. Chairman, and the minister is that on behalf of Vancouver East and as its member here I am not asking for a federal building or for a post office or for any expenditure his department can make in my riding itself. I happen to represent a riding which is basically residential. In it there are only a few secondary industries and the harbour front.

What I have to say under this item is said on behalf of the city of Vancouver because what affects Vancouver has a definite effect on over 100,000 men, women and children who live within the boundaries of the federal constituency of Vancouver East. There are three matters which are of major concern, I believe, in Vancouver which either come under the jurisdiction of the Minister of Public Works or upon which he can give advice.

The first matter I want to raise is one on which I admit there might be a split jurisdiction or perhaps the matter might not come under the minister at all. He will tell me about that. I refer to the harbour development in Vancouver. Vancouver, as the minister knows, is the third largest city in Canada. It is not only the major western port of Canada but one of the most important western ports in North America. With the expansion of trade westward, Vancouver is now in the position where the harbour facilities are completely underdeveloped. If my memory is correct, Mr. Chairman, it has been some 20 years since one of the major harbour facilities owned by the Canadian Pacific was burnt down and it has never been replaced. Any of you who follow the western newspapers undoubtedly saw pictures in the past few weeks showing ocean-going liners waiting at anchor in the inner harbour for a spot to load and unload cargo.

Vancouver East and Vancouver Centre are the boundaries of the harbour areas of Vancouver. One half of the harbour of Vancouver is in my riding. I would ask the Minister of Public Works, therefore, if it comes under his jurisdiction in any way whatever, and if there is any planning for federal government participation in harbour development in the city of Vancouver. I am afraid that perhaps the authority of the Minister of Public Works may only extend up to the tidal high-water mark. However, because of the prime importance of Vancouver to Canada, I hope he does not mind my raising the problem now. I am certain he is cognizant of it. If he has jurisdiction, then he will tell us of any planning. If, as I am led to believe, his authority does not extend beyond the tidal shore, he may have some influence with his colleagues in the cabinet.

The next matter, Mr. Chairman, I know comes completely within the jurisdiction of the Minister of Public Works. I am thinking of senior citizens housing, something of which I have been concerned and which I have been interested for many years. This is a major problem in the city of Vancouver. I know all cities and all provinces have this problem of housing for senior citizens. I know from facts, figures and studies that the city of Vancouver has the major problem because, situated as it is on the Pacific coast and having no extremes of heat or humidity in summer or freezing weather in winter, it has the greatest percentage of senior citizens of any major city in Canada. These people do not live their lives in British Columbia. They come to British Columbia in later years of life as old age pensioners or superannuates. The Vancouver city council is cognizant of the situation. The Vancouver city council, under the leadership of His Worship A. T. Alsbury, has been doing everything possible to work in co-operation with the province and Central Mortgage and Housing Corporation to make homes and apartments available for our senior citizens at rents which they can afford to pay.

I should like to ask the minister what his policy is, how far he is prepard to go and how far he has told Central Mortgage and Housing Corporation to go in co-operating with councils and provincial governments in supplying homes for our senior citizens. You may ask, Mr. Chairman, why I put the question in that way. I do so, sir, because of the communications I have received from the Vancouver city council, from His Worship A.T. Alsbury and communications from Dr. Bates of Central Mortgage and Housing Corporation. These communications have led

me to believe that for some reason or other Central Mortgage and Housing Corporation is blocking the desire of the city of Vancouver to extend aid to its senior citizens. I know, and I want to be the first to admit, that there are a number of projects under way authorized by Central Mortgage and Housing Corporation.

Mr. Walker: May I answer the hon. member? I am very glad he has raised any matter that is in his mind. I can reassure him that not only Dr. Bates but all the officials of Central Mortgage and Housing Corporation are anxious and willing and have been co-operating with the officials of Vancouver in an earnest effort to get proper housing for the elderly. Anybody who is not politically prejudiced I think would be very happy to admit that. I know, of course, the hon. member for Vancouver East is not being political, he is just telling what somebody has told him. He wanted an answer, and I am happy to have been able to give him this answer.

Mr. Winch: I am very glad that the Minister of Public Works has said I am not politically prejudiced on this matter. I am sorry, though, that he said I am telling something I have been told. This infers I am basing my remarks on rumour. I should like to say I am making them on the basis of information supplied me by the Vancouver city council over the signature of his worship the mayor. This informs me that over 12 months ago the city and the provincial government passed authorization for construction of 300 additional units in the city of Vancouver. I am in receipt of a further communication to the effect that this program has been dropped because of no action, no authorization, after 12 months from central mortgage and housing. I think you will agree with me, Mr. Chairman, that as a member for the city of Vancouver and having that information over the name of his worship, the mayor of Vancouver, I should take it as pretty factual information. Moreover, I shall say I also have that over the name of Mr. Bates in a recent letter to me.

Why is it being held up? They state they are not quite certain whether there will be the need, or at least that is my interpretation of the letter. They want to wait until the 400 now under construction are completed. May I point out to the Minister of Public Works that the last analytical figures show that inside of 24 months the requirements for senior citizens will be approximately 5,000 of the type of homes that Vancouver wants to proceed with at an accelerated rate.

I know the interest of the Minister of Public Works in this matter. I know all that has been done by Central Mortgage and Housing Corporation. Good heavens, I am the one man who should know it because my father and myself started the first of this type of house construction in Canada and we could never have done it without central mortgage and housing and their mortgages at very low rates of interest. I know what central mortgage and housing has done, but I say there is much more to be done, and I know the minister by supplementary estimates brings in additional millions of dollars for central mortgage. That is why I cannot understand why the city of Vancouver, the third largest city in Canada, and the province of British Columbia have been waiting for 12 months to go ahead with something that is blocked by central mortgage.

Mr. Walker: Perhaps the hon. member would read Dr. Bates' letter.

Mr. Winch: I would be very glad, sir. It will take me five or 10 minutes to get it down from my office but I shall be glad to read the three letters to the house, one from Vancouver council, one I received three weeks ago from Dr. Bates and the letter which I sent him two days ago furthering my plea to authorize the additional construction of senior citizens housing in Vancouver. In view of what the minister has just said I will not say anything more on that now but, sir, when we come to deal with that particular item I shall have all the documentation on this matter and will accept the invitation of the minister to read it to the house.

There is another item of major importance to us in Vancouver on which I would like to make a personal plea to the Minister of Public Works. I was most interested in the speech from the throne, part of which made reference to the government negotiating with the province of Quebec to remove the tolls on two bridges. That is a most worthy endeavour and I sincerely hope they are successful in removing those tolls because in this day and age toll bridges and toll highways are a curse on modern civilization and modern transportation.

Because of the peculiar circumstances in which the speech from the throne says that at this particular session, at this particular time, the government is going to negotiate with the province of Quebec about the removal of tolls on two bridges, and because of what that means to the great city of Montreal and the people in its environs, I would like to ask the minister: please will you take a look at the city of Vancouver in the province of British Columbia?

In Vancouver proper we have one third of the entire population of British Columbia; in

Vancouver metropolitan area we have almost one half of the entire population of British Columbia, and we are a city, an island, surrounded by toll bridges. Unless we travel via the Pattullo bridge at New Westminster, half a million of us cannot get out of Vancouver without paying a toll unless we go 62 miles up to the city of Mission and cross there on a combined road and railroad bridge. This is the list: First Narrows, a toll bridge; Second Narrows, two toll bridges; Oak Street, a toll bridge and the Deas tunnel, a toll tunnel. They are now putting up a new bridge at Port Mann, another toll bridge. I repeat, the only way we can get out of Vancouver without paying tolls is over the Pattullo bridge.

Mr. Macdonnell: Would the hon. member permit a question?

Mr. Winch: Yes.

Mr. Macdonnell: I understand him to be laying it down as a self-evident fact that toll bridges are a bad thing and ought to be disposed of.

Mr. Winch: Yes.

Mr. Macdonnell: I wonder if that is necessarily so. I have not a fixed view on the matter but it does seem to me that where bridges are put up for the benefit of certain people it is fair that they should pay for them, and not the taxpayers at large. I do not want to inject myself into the hon. member's speech, but he stated that as a self-evident fact. I am not able to see it, but at the moment I am not able to make any effective argument against it.

Mr. Winch: I think with the taxation on gasoline, the taxation on tires, the taxation on automobiles, the taxation on oil and the taxation on licences it is a curse that in a city like Vancouver, with a population of half a million people, we cannot get out of that city without paying a toll.

Mr. Walker: I would point out, Mr. Chairman, we have nothing to do with tolls. We have no tolls.

Mr. Winch: The only route we can get out of Vancouver without paying tolls is over the Pattullo bridge—

Mr. McGrath: On a point of order—

Mr. Winch: —because the government named the Pattullo bridge as a highway on the trans-Canada highway.

Mr. McGrath: On a point of order; the Minister of Public Works has raised a very valid point. Tolls are not the responsibility of the Department of Public Works.

Mr. Winch: If that is so then I would like to know why the throne speech says this government is going to work with Montreal and Quebec to remove the tolls on two bridges in Montreal.

Mr. McGrath: We debated the throne speech for eight days.

Mr. Winch: I am discussing the point you raised. If I am now out of order in discussing the matter of tolls then that sentence in the throne speech was out of order. I am glad that the government is entering into negotiations with the province of Quebec to remove tolls on two bridges in the city of Montreal but I would say "Please, Mr. Minister, will you not give some consideration to entering into negotiations with the province of British Columbia for the removal of tolls on those damned bridges that surround us"? Of course, we have one bridge which is free. It was built in 1936. I refer to the Pattullo bridge. The time—

The Deputy Chairman: Order. I have been allowing the hon. member a great deal of leeway on this particular point. The minister interjected briefly to state that his department was in no way responsible for the tolls that are charged on these particular bridges. For that reason I find it difficult to relate what the hon. member is saying to item No. 1 of the estimates of the Department of Public Works. The hon. member has made his case as a result of the leeway I have allowed him on the matter, and perhaps he could now turn to something else.

Mr. Winch: That is not necessary, Mr. Chairman; you have already given me the answer because you said I have made my case in appealing to the Minister of Public Works. We know from the debate on the speech from the throne that negotiations are being entered into with the government of Quebec, and I would ask the minister to please enter into negotiations with the government of British Columbia, not only with regard to the Pattullo bridge—that is all settled—but on the other bridges so that tolls may be removed and we will not be an island surrounded by bridges, having to pay out of our pockets for entering or leaving our own city, the third largest in Canada.

Mr. McDonald (Hamilton South): Mr. Chairman, I should first like to congratulate the minister upon his excellent statement with regard to housing, public works, the trans-Canada highway and the national capital commission, I should like to raise two points in connection with the criticisms of hon. members of the opposition. The first matter

concerns the remarks of the hon. member for Timiskaming about patronage in public works. I hope that the minister in his remarks in this debate will make it perfectly clear that contracts for public buildings are put out to tender and the lowest tender gets the contract. The other point concerns the remarks of the hon. member for Levis. His irrelevant attack upon the minister with regard to highways, and so on, was just a way to conceal the good things that have been done by this government in the fields of public works and housing.

I should first like to dwell for a moment upon the broad housing policies of the Conservative government. I think this is one area in which we can take a great deal of pride for what this government has done in the past four and a half years.

I should like to dwell upon the financial situation and cite the metropolitan area of Hamilton, Ontario, as an example of the dynamic way in which this government has dealt with the housing situation in the country. An hon. Liberal member said there was a shortage of money in 1956 and 1957. This is the fact. The lending institutions across the country entered the commercial and industrial lending fields, thereby drying up the lower interest yield on mortgage money for housing and forcing this government to enter the house lending business on a large scale.

I think the Liberal regime was well aware of this drying up of capital in the latter part of 1956 and the early part of 1957, and I think they should have taken a lead in starting direct lending well in advance of June 10, 1957. However, I am sure it was not their intention to let the people know of the economic report that was concealed, which indicated the cyclical decline of housing construction and a forecast of a further decline in the future.

I should also like to comment upon the fact that the approved lending institutions in Hamilton loaned $63 million from 1957 to the end of 1961. As far as limited dividend corporation loans are concerned, in that period $3,738,172 were loaned in Hamilton. This is in regard to privately owned limited dividend corporations which are providing homes for senior citizens. With regard to direct loans by C.M.H.C. to private individuals and private lending corporations, a total of $31,170,472 were loaned.

I am sure that the ambitious city of Hamilton has been greatly assisted in their progressive construction in housing, with loans totalling $97,936,000. This figure excludes direct lending from trust or insurance companies not on approved lending lists, and conventional loans. I am sure that if this government had not gone into the lending field in a direct way, in the way it did when it started lending $150 million directly and eventually brought the figure up to $2 billion, many builders in this country would have gone bankrupt through lack of funds. I think the Minister of Public Works, his department and C.M.H.C. should be commended for doing a very fine job in this regard. Next I should like to talk about Central Housing and Mortgage Corporation. I was rather surprised to hear the hon. member for Vancouver east say that C.M.H.C. has been blocking loans for senior citizens homes—

Mr. Winch: They blocked one in Vancouver.

Mr. McDonald (Hamilton South): I gathered form the intensity of the hon. member's attack that he was very disturbed about these loans that were proposed to be blocked by C.M.H.C. In Hamilton loans applications that have been put through our city council, they have received the acknowledgement of the federal government, have passed through C.M.H.C. in a matter of days and in fact these dwellings have been built and people are living in them. I am speaking of senior citizens dwellings, limited dividend loans incomes ranging between $3,000 and $4,200 a year, and federal-provincial housing for those with income levels from $2,950 and less a year to $5,800 a year. With these income levels people cannot afford today to buy their own home because of the lack of capital, and with their low earnings they cannot acquire a mortgage.

In the city of Hamilton we have a very large program in this respect. There are some 1,200 federal-provincial homes in my riding. This program is operating very effectively, with a small waiting list. As far as limited dividend private corporation loans in Hamilton are concerned, the list is completely filled with people within the proper incomes. There is also a small waiting list in this category.

As far as urban renewal expansion and development is concerned, in the city of Hamilton, as in other parts of the country, I think this government is very aware of all the ramifications and problems that we are going to run into. Hamilton took a lead by setting up an urban renewal committee. This committee was designed to get the ball rolling in Hamilton as far as urban renewal was concerned. The initial impetus in regard to urban renewal must come from the municipalities. The federal government and C.M.H.C. can give assistance and provide people who are able to go out and help, but initially the initial effort must come from the municipalities.

The federal government is interested in a person who may be uprooted because of urban renewal, and it is of the utmost importance that the federal government should look after the individual to ensure that he is protected in every way and will not be thrown out of his home in a very haphazard way if it is blighted. In the past 18 months Hamilton has undertaken the clearance study of 278 acres. This program is under consideration at the present time by the provincial authority in Toronto. There are problems which will arise because of this redevelopment. One of the problems is, not that the federal government has not dealt in a forward looking way with urban renewal but the problems that arise in this regard that may be of interest to the committee. The act now states that urban renewal is for the clearance of slum or blight areas, the relocation of homes and the development of new housing accommodation, but there is no section in the act which indicates that in an area of blight or semi-deterioration where a large area is cleared, where schools and recreational facilities are needed, the clearance of these areas for these facilities comes under the National Housing Act. I would hope that the officials of C.M.H.C. would look into the aspects of an integral part of the redevelopment of certain areas so that not only housing could be used for the redevelopment but schools and recreation areas. Possibly there could be a relocation of traffic through the tearing down of blighted areas so that we could go even further in the vast scope of urban renewal.

The next point I should like to deal with for a moment concerns the cost of land in the country as a whole. Everyone knows it is going up and up. But I want to point out one thing which this government has done, and I think it has a direct relationship to the cost of land. In the bill which was passed here some 18 months ago that made available sewer loans to the municipalities, hidden in this type of legislation is a thought to reduce the cost of land. In the constituency that I represent we were very fortunate that out of $40 million of initial loans for sewerage receptacles and sewage disposal plants we had over $2 million, showing the progressive way in which the city council of Hamilton is taking advantage of this legislation.

But there is a larger scope in land servicing. The reason that land costs are high is that services have been creeping steadily out of the centre of the city, thereby putting a high premium price on that land near where the services are being constructed. Under the legislation which was passed some time ago providing for the availability of long term sewer loans to the municipalities, the legislation allowed for servicing large tracks of land, where desirable, so as to open up vast tracks of land, thereby putting a glut on the market and forcing the price down because of the number of lots that would be available. This is an example of the supply and demand theory.

I hope that the federal government on March 31, 1963 will take a look at the long term program of federal sewage loans. I think this will help the cost of land and do a good job in the long run.

In Hamilton as a whole we have had practically everything in the housing field. We have had federal-provincial housing, limited dividend lending, direct corporation lending, approved lending, sewer loans and even land assembly. There are a number of pro and con thoughts on land assembly. There are many builders, in private enterprise, who believe in land assembly and some who are private enterprisers who do not believe in it. But 540 lots in Hamilton south were done two years ago. I do not want to argue the pros and cons of land assembly, but I do know there are 500 homes in my constituency that are there and built. It is a beautiful survey. It is a pleasure for parents to bring up their children in this type of assembly because the municipality has built beautiful schools and park areas have been correlated in this development.

I should like to congratulate C.M.H.C. on the sale of mortgages to private institutions. I think this is a good thing and I hope it will continue in the future.

The next subject I should like to dwell on is over-all public works as pertaining to Hamilton south and Hamilton as a whole. Hamilton, as I am sure everyone knows, is a progessive city. It has the third largest tonnage harbour in Canada although it is a great distance from the sea. The federal government has recognized this fact, and from the point of view of harbour expenditure I think it is second to none in relation to the population of the area. So far as dredging is concerned, since 1957 there has been some $2,245,000 spent on dredging down in the Hamilton area to keep the channel open. So far as public works are concerned, Hamilton is a conservative stronghold. We have all Conservative members and we work as a team to develop the harbour and to develop the public works. There will be some—

An hon. Member: Oh, oh.

Mr. McDonald (Hamilton South): If the hon. member who represents one of the Ontario constituencies—I believe it is Timmins—would like to get up and contribute to the debate and tell us what he thinks of housing,

I am sure we would be happy to hear from him.

As far as public buildings are concerned we were fortunate that a long time ago post offices and other public buildings were built, but a little over a million dollars worth of additions have been done in the past short while.

I should like to pay a tribute to the hon. member for Wentworth. I am sorry he is not in the house tonight; I think he has another engagement. For many years in his constituency the entrance of the Hamilton harbour has been a very vexing point. A couple of ships ran into the old bridge and blocked the harbour for some time. Through the persistence of this hon. member I believe a new low level bridge costing $5,122,960 will be opened this year. I think it is really due to the personal efforts of this member that this is being done.

As far as the harbour and river facilities estimates are concerned there is provision for the expenditure of some $7,438,000 in the Hamilton area as a whole and I should like to tell the minister through you, Mr. Chairman, that we are very appreciative in Hamilton not of just being given money but also very appreciative of getting the money that is developing our community into one of the strongest economic units in the country in the whole area of housing, and harbour and bridge construction. I think it is proving that the Conservative government is on the right track. It has not left Hamilton behind.

I cannot stress too much the importance of the minister's taking up with C.M.H.C. the sections of the National Housing Act with regard to urban renewal. I have sat on the urban renewal committee in Hamilton as the federal representative and I have learned a great deal from this, but I find that there are some loopholes which I think can be cured very easily so that when a city or municipality is designing an urban renewal area they can go into the whole ramifications of schools, recreation facilities, churches and so on, along with housing and apartment dwellings in that area.

I should like to take this opportunity of saying that C.M.H.C. in the constituency which I represent and in Hamilton as a whole has done a great job and the co-operation they have given, in an unprejudiced and unpolitical way to, I think, every member of the house is appreciated. They should be congratulated, and I hope they will continue their good work in the future.

Mr. Carter: I should like to begin my remarks in this debate by expressing my thanks to the minister and his staff for the very kind and, for the most part, sympathetic consideration they have given to the problems I have brought before them on behalf of my constituents. I should like to take this opportunity also of expressing my appreciation to the staff of the minister's department, both the senior officials here and the officials in the district office in our province. They have always been most co-operative and most sympathetic and have gone out of their way on many occasions to do everything possible to alleviate the problems that I have had to bring before them. The minister is very fortunate in having such competent and devoted officials at the disposal of his department.

When I listened to the minister opening the debate on this item I must say he sounded to me much more like the minister for housing than the Minister of Public Works. Housing is of course, a very important activity in the minister's department and also in the economic life of our country. Housing is one of the very best ways of priming the pump when our economy slows down. The minister has told us that a great deal has been done in that direction under this government. As I listened to the minister it was not clear to me whether the aim of the government's housing policy was to create jobs or to build needed homes. One can understand that under the economic conditions which we have experienced during the past few years a delicate balance has perhaps had to be achieved between the two.

In a free enterprise country when a government has to go so deeply into the housing business there is raised in my mind a question as to whether the economic and fiscal policies followed by the government are sound. The prime purpose of every national government is to create a climate in which private enterprise can operate to fill the needs of the people. Housing is a legitimate function of private enterprise. If it is impossible for them to carry out this normal function I think we should take a second look to see whether this is due to our failure to provide the proper climate and whether the fiscal policies pursued by the government have something to do with it.

The minister took great pride in what this government has accomplished in the field of housing. I cannot share his enthusiasm in this respect. For a national policy which is designed to apply to all parts of the nation and to treat every part of the nation alike, the figures the minister placed on *Hansard* this afternoon certainly show this is not being done.

He told us that in the country as a whole aggregate loans under C.M.H.C. totalled $3,271 million. Then he went on to tell us that 50 per cent of this amount had gone to one province. Out of the aggregate a total of $1,600

million went to Ontario alone, while loans in all the Atlantic provinces totalled only $120 million.

Mr. Browne (St. John's West): No, not the amount available.

Mr. Carter: These are the figures the minister placed on the record. As I understood the minister, of the aggregate of $3,271 million a total of $1,600 million went to Ontario and $120 million went to the Atlantic provinces.

Mr. Browne (St. John's West): They could have had more.

Mr. Walker: The hon. member knows very well that we have to receive applications. After all, we do not go about soliciting applications. Unless the provinces make applications on their own through the various channels there is nothing we can do about it. Surely there is no criticism of that. We make a special point of doing all we can to assist the Atlantic provinces.

Mr. Carter: I quite understand that, Mr. Chairman, and I was not criticizing the minister. I was criticizing the way the policy has worked out in one part of Canada compared with another. We know that people must apply. If they do not apply in the Atlantic provinces it is because they cannot afford to apply. That is what I am complaining about. The great national policy, so called, of which the minister is so proud actually operates to favour the rich provinces. A wealthy province like Ontario can take advantage of it but poor provinces like the Atlantic provinces are not in a position to take advantage of it. That is why the people of the Atlantic provinces do not apply. They would apply just as readily as the people of Ontario if they could afford to do so.

I believe a national policy applied to the whole nation should be designed to operate in such a way as to take into account the economic differences in the various regions and not to favour the rich at the expense of the poor.

Even if we considered it as the minister seemed to do this afternoon as a means of creating employment, the need in the Atlantic provinces is much greater than in Ontario. The minister of finance for Ontario has said the employment situation is better in Ontario than in Canada as a whole and better than in the United States. Let us understand that that is not so in the Atlantic provinces. Approximately 13 per cent of our people are out of work now and probably 25 or 30 per cent of them will be out of work before the winter is over.

Mr. Nowlan: What month is this?

Mr. Carter: Well, we have that situation every winter. In my province we have up to 30 per cent of the work force out of work in the winter.

Mr. Walker: The hon. member appreciates, of course, that this government has spent annually three times the amount that was spent on public works under the previous administration. Also on a per capita basis the amount of money spent in Newfoundland is many times greater than the amount spent per capita in Ontario. In addition the gifts of capital expenditures in the Atlantic provinces and particularly the province of Newfoundland—

Mr. Bourget: Mr. Chairman, on a point of order, the minister has no right to rise in this chamber and interrupt the hon. gentleman who has the floor.

Mr. Walker: Is the hon. member for Levis the leader of the house? If so, since when? The hon. gentleman has not raised a point of order.

Mr. Bourget: The minister is not the chairman. The minister cannot make rulings.

The Deputy Chairman: Order. I assume that the hon. member for Burin-Burgeo yielded the floor to the minister although I was not following the discussion closely at that point. However, it being ten o'clock—

Mr. Carter: Mr. Chairman, may I speak to the point of order?

The Deputy Chairman: There is no point of order. I see that it is ten o'clock so I will rise and report progress. If the hon. member wishes to refer to this when he resumes tomorrow after orders of the day he may do so.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Bourget: Mr. Speaker, may I inquire of the acting house leader the order of business for tomorrow and Monday?

Mr. Nowlan: Mr. Speaker, we shall continue tomorrow with the discussion of the estimates of the Department of Public Works which hon. gentlemen opposite have been examining in such a friendly mood this evening. I am waiting for the hon. member for Burin-Burgeo to explain tomorrow how unemployment in his province will affect 25 per cent of the work force in March, at the opening of this month.

I am not in a position to give the numbers of the bills with which we will deal on

Monday, but on Monday and Tuesday we will deal with legislation. We will commence by taking up some of the items on the order paper standing in the name of the Minister of Finance. I will detail them tomorrow when the house rises.

Mr. Bourget: I thank the minister.

Mr. Nowlan: I might say this. If we should finish the estimates of the Department of Public Works tomorrow, as I am sure we shall—I am amazed that we did not finish them today in view of the friendly position which the Minister of Public Works has taken on television and in this house—following their completion tomorrow morning we shall then go on with northern affairs tomorrow afternoon.

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

HOUSE OF COMMONS

Friday, March 2, 1962

The house met at 11 a.m.

VACANCIES

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

Of Mervyn Arthur Hardie, Esquire, member for the electoral district of Mackenzie River, by decease.

Of Hon. Paul Comtois, member for the electoral district of Nicolet-Yamaska, by reason of his acceptance of an office of emolument under the crown.

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

UNITED NATIONS

DISARMAMENT—TABLING OF LETTER FROM PREMIER KHRUSHCHEV TO PRIME MINISTER

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I should like to table a note I received from the chairman of the council of ministers of the U.S.S.R., N. S. Khrushchev, in response to my letter which was previously tabled.

Mr. Speaker: Has the Prime Minister leave to table the document?

Some hon. Members: Agreed.

COMMONWEALTH CONFERENCE

ANNOUNCEMENT OF MEETING ON SATELLITE COMMUNICATIONS SYSTEM

Right Hon. J. G. Diefenbaker (Prime Minister): I wish to inform the house that Canada has accepted an invitation from the British government to participate in a commonwealth conference in London from March 28 to April 13, to discuss the role of the commonwealth in the development of world wide communications systems based on satellites. The Canadian government has followed with keen interest the research which has been taking place in this field in recent years, mainly in the United States. We are very interested in exploring with other countries, including of course the United States, the basis of future co-operation among the countries of the world in developing communications based on earth satellites.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should just like to comment on that announcement, if I may, and say that I think the Prime Minister is well advised in doing what he has announced. There have been from time to time, originating in the Department of Transport, I believe, telecommunications conferences and the like which the Prime Minister has in mind, but this one of course has a much broader and wider view and I think the house will welcome the announcement made by the Prime Minister.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, this group has always had a continuing faith in the important role the commonwealth can play in world affairs. We are very pleased to hear the Prime Minister's announcement with respect to this one segment of Canadian activities in that role.

EXTERNAL AFFAIRS

VISIT TO CANADA OF AUSTRALIAN DEPUTY PRIME MINISTER

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I take pleasure in announcing the forthcoming visit to Canada of Right Hon. John McEwen, deputy prime minister and minister of trade in the Australian government. He is expected here on March 15 and 16 for talks with Canadian ministers on a broad range of trade and economic matters.

NATIONAL DEFENCE

NUCLEAR WEAPONS—STATEMENT BY U.S. SECRETARY OF STATE

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Prime Minister if he is in a position today to answer my question of yesterday, which was in substance: is the Prime Minister in a position to comment on the statement made yesterday morning by Secretary of State Dean Rusk regarding the attitude of the government of the United States toward sharing with Canada in the matter of nuclear weapons?

Inquiries of the Ministry

Right Hon. J. G. Diefenbaker (Prime Minister): No, Mr. Speaker, I have nothing further to add to what has already been said.

[*Later:*]

Mr. Martin (Essex East): May I ask the Prime Minister, are we to understand from the reply he gave a moment ago that he does not propose to comment on the statement of the secretary of state of the United States.

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman has come to the right conclusion.

Mr. Martin (Essex East): In that case may I ask the Prime Minister if he will reconcile his statement that there have been conversations between the Canadian government and the United States government in this matter with the statement made yesterday by Secretary of State Dean Rusk which is as follows:

> The United States remains prepared at any time to discuss such arrangements with the government of Canada and we have, of course, discussed such arrangements with other governments.

In view of this statement, implying clearly that the United States has had discussions with other governments and not with the Canadian government, how does the Prime Minister reconcile his earlier statements with this statement of the secretary of state of the United States?

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman is giving his own interpretation of the implications. I said that discussions had continued from time to time. That is factual and absolute and is in no way contradicted by the statement made by Mr. Rusk.

Mr. Hellyer: You have been smoked out.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, may I ask the Prime Minister, to clear up all this confusion and uncertainty once and for all and to show his awareness that nuclear war would be suicidal, to consider declaring Canada's intention to renounce nuclear weapons for all time?

Mr. Speaker: I think the hon. member is putting a question that has been asked from time to time and which involves a very large question of policy. I think he is optimistic to expect that matters of this kind can be settled with the brevity which is required on oral questions before orders of the day.

ARCTIC ISLANDS—REPORTED SELECTION OF LANDING STRIPS BY U.S.

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the Minister of National Defence whether he has had an opportunity of looking into the question I asked him yesterday about Arctic air bases for the United States air force, and what report he has received from his officers in this respect.

Hon. D. S. Harkness (Minister of National Defence): I am sorry, I have not as yet received the report. I inquired about this report about half an hour ago, and it is not yet ready.

INDUSTRY

DOMINION TAR AND CHEMICAL CO.—ESTABLISHMENT OF PLANT IN U.K.

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Minister of Trade and Commerce, or in his absence to the acting minister. The morning press carries the story that Dominion Tar and Chemical Co. Ltd. have announced their intention of building a plant in the United Kingdom. My question is, does the minister think this is a desirable trend, that plants should establish themselves in the United Kingdom to take advantage of the common market, while Canada seems to have no objective policy to keep them here?

Hon. Raymond O'Hurley (Acting Minister of Trade and Commerce): I will take this question as notice and report to the Minister of Trade and Commerce.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. W. H. McMillan (Welland): I wish to direct a question to the Minister of Finance. Now that we are into a new month, could the minister say whether the budget will be brought down in March?

Hon. Donald M. Fleming (Minister of Finance): Time will tell, Mr. Speaker. I won't

Mr. Pigeon: The minister will not.

FINANCE

REPORTED PRINTING OF CURRENCY WITHOUT SERIAL NUMBER

On the orders of the day:

Mr. John R. Matheson (Leeds): I should like to direct a question to the Minister of Finance. My question arises as the result of a news story appearing in last night's edition of the Ottawa *Journal* to the effect that Mrs. R. W. Dann of Edmonton has received currency bearing no serial number. Is the government keeping a record of the money now being printed?

Hon. Donald M. Fleming (Minister of Finance): The hon. member has been in the house for sufficient time to know that the government does not print money; that is a function which has been placed by parliament in the custody and jurisdiction of the Bank of Canada. The Bank of Canada, of course, in accepting delivery of currency when printed takes elaborate precautions in relation to the numbers printed on the bills.

COAL

NOVA SCOTIA—FEDERAL-PROVINCIAL MEETING ON MINE CLOSINGS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Minister of Mines and Technical Surveys and ask him whether a meeting has been set up by the government of Nova Scotia and the government of Canada on the subject of further mine closings in Nova Scotia, as reported in the Halifax *Chronicle-Herald* of February 28.

Hon. Jacques Flynn (Minister of Mines and Technical Surveys): I have been approached by the premier of Nova Scotia, and I expect to meet him next week.

Mr. Chevrier: Has any date been fixed?

Mr. Flynn: No definite date, but it will most probably be Wednesday.

(Translation):

FLAGS

INQUIRY AS TO RECEIPT OF MODEL DESIGNS

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Secretary of State. Did he receive copies of the six flag models proposed by the hon. member for Bonavista-Twillingate? If so, what are the designs?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I did not receive any such thing.

(Text):

SUPPLY

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

DEPARTMENT OF PUBLIC WORKS

1. General administration including a grant of $2,000 to the Canadian good roads association, $11,098,000

Mr. Carter: Last night, Mr. Chairman, you gave me the floor about ten minutes before the committee was due to rise, and about half of that time was occupied by interruptions, mainly from the Minister of Public Works. My colleague the hon. member for Levis attempted to raise a point of order about this, but since you ruled that there was no point of order perhaps you will permit me to deal with this matter as a question of privilege.

When the minister intervened I was dealing with the government's housing policy. I had endeavoured to make the point that the fact the government finds it necessary to go so heavily into the housing business is an indication that there is something wrong with the government's fiscal and monetary policy which failed to produce the economic climate in which private enterprise, whose normal function it is to provide for the needs of the people, was able to operate in the housing field.

At that point the minister rose to interrupt. I thought he was going to correct an error I had made, because I recognize that we all make slips of the tongue especially when we are attempting to think on our feet. But the minister did not do that. What the minister proceeded to do was to debate my comment. In his rebuttal the minister did not deal with the point I was making with respect to housing policy. He proceeded to deal with public works, and made statements as to how much this government had spent on public works in my province. I intend to deal with that statement later.

My question of privilege is this. If the procedure is adopted by the house of allowing a minister or anyone else to interrupt at any time the member who has the floor in order to start debating subjects which are not under discussion, bedlam will result. The minister has no more right to interrupt than any other person.

Your Honour made the point that I conceded the floor to the minister. I did so because I thought he was going to correct a statement I had made, but the minister took advantage of that opportunity. We do not know what the minister is going to say when he rises. We have to trust to his sense of fairness and proportion in matters like this. When he does not observe the ordinary rules of procedure he is out of order. I do not mind conceding the floor if the minister requests that I do so and states for what purpose he is rising, but I shall not yield just to permit a red herring to be brought into the argument I am advancing.

Since the minister has undertaken to intervene in my remarks I would ask Your Honour to count my time as from now and not as from five minutes to ten o'clock, as would normally be the case.

As I said, a national housing policy should operate in such a way as to treat all parts of the nation alike as far as humanly

possible. The figures the minister produced yesterday illustrate that the government's housing policy is creating an overexpansion in economic activity in one province and is doing little to correct the underexpansion in other parts of the country. In my opinion a government policy should operate with the purpose of having quite the reverse effect. It should try to level out economic expansion and make it more uniform throughout the whole country.

I pointed out to the committee that unemployment is always a serious problem in the Atlantic provinces, and during the winter months when it is at its peak it can reach and has reached in my province as high as 25 per cent of the labour force. The Minister of National Revenue seemed to ridicule that statement, and I want to put some figures on *Hansard* to support what I said. It is true that since 1960 we do not have a separate breakdown of percentages of unemployment in the various provinces; instead we have figures for the whole Atlantic region.

Mr. Browne (St. John's West): Mr. Chairman, on a point or order, I suggest that we are talking about public works, not unemployment, and I think we should at least keep on the subject.

Mr. Carter: I am going to relate the figures I am about to give to the housing policy of the government. I think what I have already said proves that there is a relationship between housing policy and employment, just as there is a relationship between the fiscal policy of the government and the extent to which it has to engage in the housing business.

I am sorry that the Minister of National Revenue is not here to listen to this, since he questioned my statement last night. In 1960, the last year for which we had a percentage breakdown by provinces, unemployment in the Atlantic provinces was 14.4 per cent of the work force. That was in the winter months. I believe in January, and probably not at the worst period. At that particular time when the average for the Atlantic provinces was 14.4 per cent the average for the province of Newfoundland was 25 per cent, and the situation got worse.

The figures released by the bureau of statistics a short time ago give the percentages as of the 13th of January, which is not the peak so far as unemployment is concerned, and the percentage for the Atlantic provinces was 14.7 per cent. If there were 25 per cent unemployed in Newfoundland in 1960, when the average for the Atlantic provinces was 14.4 per cent, surely it is reasonable to assume that the figure was at least 25 per cent and perhaps worse for Newfoundland when the average for the Atlantic provinces was 14.7 per cent as of January 13.

Mr. McGrath: What percentage of that 25 per cent were fishermen?

Mr. Carter: Well, are fishermen not people? Are they not workers?

Mr. McGrath: My hon. friend knows that fishermen cannot draw unemployment insurance and fish at the same time. They cannot fish at certain periods because it is a seasonal occupation. My hon. friend knows that the figures are not in proportion to the facts.

Mr. Carter: I want to support my statement with some figures compiled by the Atlantic provinces economic council, and the source of their figures is the special surveys division of the dominion bureau of statistics. I ask the hon. member for St. John's East to listen to this, because I am now talking about averages for the whole year and not seasonal unemployment when the fishermen are included. In 1958 there were 20,000 unemployed Newfoundlanders out of a work force of 111,000. In 1959, according to the government's own publication, there were 22,000 Newfoundlanders out of work for the whole year out of a work force of 115,000.

Mr. Browne (St. John's West): I rise on a point of order, Mr. Chairman.

Mr. Carter: In 1960 there were 21,000 out of work out of a work force of 118,000.

The Deputy Chairman: I see the Solicitor General is rising on a point of order. I think I can anticipate what his point of order is. The statistics that are being placed on the record by the hon. member for Burin-Burgeo relate to unemployment, and they would be more appropriately discussed on the estimates of the Department of Labour. I do not want to be unfair or unduly restrictive to the hon. member, but I do feel that his suggestion that he would relate these figures to item 1 of the estimates of the Department of Public Works has not come through to me at this stage. I would ask him to move in that direction as soon as possible.

Mr. Deschatelets: Would you let me say a word on this point, Mr. Chairman? I submit that the minister should be ashamed of himself when he contends that these estimates for public works have no relationship whatever to unemployment. I think the minister should be ashamed of himself.

Mr. Browne (St. John's West): I did not say what the hon. member has just stated I said. When the hon. member for Burin-Burgeo is talking about unemployment he

should relate it to this Department of Public Works, and not give us a long harangue about it.

Mr. Martin (Essex East): I wish to address myself to the point of order, Mr. Chairman, Your Honour will recall that the minister, in the opening statement he made yesterday on housing, in particular, mentioned that the consequence of government policy was that it had a direct effect on unemployment. If the minister was able to make that kind of argument I am sure that Your Honour, on reconsideration, will agree it is open to the hon. member for Burin-Burgeo to make a reply. That is all he has been doing.

Mr. Carter: I think the record will show that these figures are related to the housing policy of the government, and the government has gone into the housing question in a big way, as the minister pointed out, to prime the economic pump. Last night the minister made the statement that this government spent three times as much on public works in Newfoundland as did the Liberal government. If that is so that is as it should be, because—

An hon. Member: Give us credit for it, then.

Mr. Carter: It is as it should be, because of the need to create employment in Newfoundland and also the need to even out the disparities in our economic development. If the housing policy of the government cannot achieve that, then certainly the public works program of this government should be operated in such a way as to make up for that lack. I am afraid that the minister's statements are not borne out by the facts.

We have raised the question of urban development in the northern section of St. John's for at least two years during the consideration of the estimates of this department. So far as I have been able to find out, that development has not taken place as yet. For a whole year the premier of Newfoundland was blamed for this situation. Over a year ago the premier went to the extent of making changes in the legislation so that the municipality of St. John's could cooperate with the federal government and leave the province out of the picture. However, this development is proceeding very slowly, and certainly there are no houses being built even though the project has been under consideration for at least two years and possibly longer.

If I may come back to the minister's statement about having spent three times as much in Newfoundland as his predecessors, I should like to take the figures for expenditures on public buildings in the years 1959-1960 to 1961-1962 inclusive. This government has spent $1.3 million on public buildings during that time, whereas their predecessors in the three years from 1954-1955 to 1957-1958, spent $8.5 million on public buildings, at a time when there was less disparity in the economic development of the various parts of our province. If we take the money spent on harbour development in the same period, we find that the total spent by this government according to the estimates, and I have only had time to go back three years, was $16.3 million as compared with $7.7 million under the Liberals. Now, that looks like a tremendous difference, but it is still not three times as great. If it were three times as great it would be $22 million. However, the figure of $16.3 million does not give the correct picture, because of that $16.3 million at least $9 million has been spent on the harbour of St. John's.

An hon. Member: What is wrong with that?

Mr. Carter: There is nothing wrong with that; I should like to see more spent on improving the harbour of St. John's. However, there is this to be said about it. This $9 million that is being spent on the harbour of St. John's is not going into the pockets of Newfoundlanders. It is not increasing to any appreciable extent the purchasing power of the people of Newfoundland. This work is being done by a mainland contractor, and most of that money is going to benefit people on the mainland. I doubt if more than 20 per cent to 25 per cent of it is going into the pockets of the people of my province to increase their purchasing power.

If we take out this special amount for St John's, which as I said is not an important factor in the priming of our economic pump, then the average amount of money spent on public works per year by this government works out at a little under $3 million as compared with $4 million under the Liberal government from the years 1954-1955 to 1956-1957.

Mr. Walker: May I ask the hon. member a question? Is it not correct that the official figures for 1952 to 1956 are $27,320,000 and for 1957 to 1961, $75,258,000 for expenditures on public works? This does not include housing, but is the amount that we have in our estimates.

Mr. Carter: These are not the estimates You included 1952 to 1956, and you compared 1952-56—

Mr. Walker: It is 1952-53 to 1956-57, $27,-320,000, and 1957-58 to 1961-62, $75,258,000 which was spent in Newfoundland on public works.

Mr. Carter: I don't know whether the minister's figures are correct or not.

Mr. Walker: I take them from the estimates.

Mr. Carter: I also took the figures from the estimates, and if you want a breakdown I have plenty of time to put it on the record or, if the house will permit me, I shall table it. However, if you go back to 1952-56 why don't you go back to 1867?

Mr. Walker: You were not in confederation at that time.

Mr. Carter: The figures I am referring to are the figures in the minister's estimates relating to public buildings and harbour improvements, and I am sure the $75 million which the minister has mentioned does not relate solely to public buildings and harbour improvements. He is probably taking the moneys spent on public highways and on the trans-Canada highway, and when he replies I would like him to give a detailed account. I am talking about the two items under the direct control of the minister's department, the money spent on public buildings and on harbour improvements. I know there are also moneys spent on operations, maintenance, dredging and other things.

Mr. Walker: You are quite right. I have included all public works including our contributions to the trans-Canada highway.

Mr. Carter: There was no trans-Canada highway in 1867 or 1949.

Mr. Walker: But there was in 1952-56.

Mr. Carter: There were very good reasons why that money could not be spent.

Mr. Bourget: Tell him the public works program was planned by the Liberal government, including the St. John's harbour and the trans-Canada highway.

Mr. McGrath: Yes, and it was shelved.

Mr. Bourget: You were not shelved.

Mr. Walker: You had better stick to Levis.

The Deputy Chairman: I am hearing several speakers at the same time, and I think we should allow the hon. member for Burin-Burgeo to speak for himself, which he can do very well as we all know.

Mr. Carter: Yesterday the minister mentioned the winter works program dealing with post offices, but there has not been very much money included in his estimates for that kind of work in my province. There was only $156,000 in 1960-61, $205,000 in 1961-62 and I think $180,000 for the coming fiscal year. That is a cause of complaint in my province, as we have certainly as great a need as any other province. The minister did not make it clear whether this winter works program constituted a change in policy. We have been trying to get post offices built in many communities, but the projects have been turned down because the community revenues do not warrant them. I think we should change that policy and make our decisions not on the basis of revenue but on the basis of need of the number of people to be served, and particularly on the need to create employment in provinces which economically are lagging behind.

The work on St. John's harbour will soon be completed, and the minister tells us he is looking around for new projects. That being so I suggest to him that he give consideration to building a transshipment port in Newfoundland. There is a good site for such a port at Mortier bay. I believe it has been refered to in the MacPherson report on transportation, and I know the western grain shippers are interested in linking up shipping facilities at Mortier bay with the shipping facilities in Fort Churchill. This could be of great benefit both to Newfoundland and the western farmers in allowing them to ship their wheat more cheaply, and I would ask the minister to give consideration to the project.

I want to thank the minister for the increase this year in the harbours vote. It is $7.2 million as compared with $6.6 million last year, and when we make the deduction for the special project at St. John's harbour that works out to about $2.9 million for the rest of Newfoundland as compared with $1.8 million last year. There is only one disappointment in this so far as I am concerned, and that is that the minister has not seen fit to include anything in the estimates for the settlement of Seal Cove. I have requested this for the last four years, and in 1958 the minister's predecessor said he hoped something would be done within the following year. Correspondence which I had with his predecessor and himself went so far as to say that $90,000 would be listed for consideration in the 1960-61 estimates, but we are now dealing with the 1962-63 estimates and there is still no appropriation for this community.

There must be some misunderstanding about it, because this is a very urgent need. This little community of 600 or 700 people is completely isolated during the winter. If they need the services of a doctor or want to bring in food supplies their only communication is by sea, and they have no decent harbour whatsoever. Not only that, the economy of the community depends on the fishery, and without a harbour they cannot engage in fishing. When I was there last fall there was a provincial bulldozer in the place and,

through the co-operation of the district engineer at St. John's, I made arrangements to have the bulldozer scoop out the sand in the harbour. This meant that 30 fishermen were able to do some fishing whenever the weather permitted last fall, but that was too late in the year.

We had a debate on forestry a couple of days ago, and we were told the trend now is toward more mechanization in the woods. Therefore the alternative employment which this community has in the forests is going to disappear, and there will be less and less work for fewer people. This leaves them with the fishery. In any event, there are many people in that community who are now too old to go into the woods, and they must have some other form of livelihood apart from relief. This is an urgent matter, and I would not be raising it if I did not think it was urgent. I hope the minister will find time to consider it and include some appropriation in the supplementary estimates for this community.

There are just two other matters I want to refer to, and one of these is dredging. I am very glad to see that $594,000 has been appropriated for dredging in Newfoundland. That is a large item compared with other provinces, but it is still small in relation to the need because we have so many harbours that have not been dredged for 50 or 60 years.

The $560,000 for new equipment pleases me very much. I hope the minister will tell the committee when he replies just what equipment is going to be purchased with this sum. It does not seem large enough to buy the big, heavy suction dredge that is so badly needed. I have a situation in my riding, in the town of St. Lawrence, where they have been waiting now for five years for the harbour to be dredged out. This work has been postponed year after year in the hope that we can obtain the services of the suction dredge employed in Nova Scotia, but so far we have not been successful. In the meantime this situation is getting worse and worse with every passing week. Therefore there is a great need for a heavy suction dredge to be assigned to Newfoundland, which with Labrador has a tremendous coast line; we have 1,300 coastal harbours to be serviced.

In addition to this need for heavy dredging equipment, we have a need for shallow dredging equipment. I have urged this year after year, but the government seems to prefer to have this work done by private dredging firms. However, the fact is that there are not enough of these firms to do the work that requires to be done. This is not expensive equipment. We have so many small harbours where ordinary dredges cannot enter and operate, and perhaps there is a greater need for this type of equipment in Newfoundland than elsewhere. I ask the minister to keep this in mind.

The only other comment I wish to make is in connection with the miscellaneous vote. I was very happy when I looked at it and saw the amount to be voted was $2.4 million, but when I looked more closely I discovered that only $1,250,000 of this amount was going to be allocated for harbour improvement. That really is not enough in view of the drain on this vote which will be caused by projects that will cost up to $15,000 without treasury approval and can go as high as $25,000 with treasury approval. The amount is only $1,125,000 for the whole of Canada. Newfoundland's share of that is not going to be very much, and it will certainly all be used up on about a dozen projects costing $15,000 to $25,000. We are now reaching the point when we have a greater need for these small works, so I do hope the minister will give prompt consideration to increasing the amount of this vote.

In conclusion, Mr. Chairman, I wish to thank the committee for listening to me so patiently, and once more I would pay tribute to the minister and his staff in Ottawa for the co-operation they have extended in the past. I hope the same degree of co-operation will be forthcoming with respect to the few items that I have drawn to the attention of the minister.

Mr. Walker: Mr. Chairman, in answer to my hon. friend's question about the miscellaneous vote of $1,125,000 for Canada, of this amount more than one third is being spent in Newfoundland; the actual amount is $376,000. Is that enough?

Mr. Carter: I am not complaining on behalf of Newfoundland; what I am saying is that the vote for the whole of Canada is not enough. The $376,000 represents only a small share for Newfoundland if you divide that amount among the seven ridings, because you only have $50,000 per riding; and with a project cost of $15,000 to $25,000 you can only finance three or four works in each riding, whereas there are perhaps 30 or 40 projects which need to be taken care of and can only be taken care of out of this vote.

Mr. Herridge: Mr. Chairman, first of all I wish to thank the minister for his courteous attention to any problem related to my constituency which I have brought to his notice. I must say that he has given every case careful consideration, whether the result has been positive or negative. I extend the same appreciation to the deputy minister, the senior officials in Ottawa, the district officials and the local officials of his department.

As I have said before, this is a rather unusual department as far as I am concerned. I can say this because I have lived in very close relationship with the public works of Canada for over 56 years. When you live in the wilderness you do depend on them to put in a few dolphins or something of that nature to prevent you being shipwrecked, and so on.

I have inquired around over the years and have noticed there has been a steady improvement in the administration of this department since the reorganization into divisions some years ago. I was distinctly under the impression prior to the 1950's that the department was, in the first place, carrying too heavy a load for the staff and organization, and was trying to carry on in ways that were only suitable for a much smaller amount of work and responsibility. I think there has been a steady improvement in the administration. One division which has improved a great deal has been the property division and the placing of responsibility upon certain people's shoulders for the administration of buildings, and so on.

However, I have a few suggestions. I make them not in a critical spirit, but I place them before the minister in a co-operative mood, shall I say. I notice that the minister, the deputy minister and some of the senior officials of the department have visited the larger centres in Canada. I can only speak from my experience in British Columbia, but they have visited only the district offices in the main. I go into the district office, which is in Vancouver—I have known some of those chaps for a good many years—and I find that the minister and deputy minister have been to Vancouver and possibly up the coast in connection with reviewing the work of the branch. I might mention that I have a complaint in this regard. The British Columbia district office is known as the Vancouver district office. That is far too limited a connotation; it should be known as the British Columbia region of the Department of Public Works of Canada.

I do suggest that the minister, the deputy minister and the senior officials, particularly under the present circumstances, should stray rather further afield. They should personally and more frequently visit some of these districts where problems are developing. I have particular reference to, say, the Arrow lakes region. I am sure the minister has heard of the treaty known as the Columbia river treaty. If unfortunately the provisions of that treaty were carried out as they are written at the present time it would have a most unfortunate impact upon the property of the public works of Canada for a distance of 145 miles on the Arrow lakes. It would mean the destruction of 20 docks and innumerable dolphins and other facilities which, if that situation did develop, would have to be replaced.

I think the problem is of such magnitude that the senior officials of this department should be giving it consideration so they may have the answers. I am quite sure that at the present time there is no firm estimate on the part of the Department of Public Works as to what it would cost to replace these facilities. And do not forget this; these would be replaced at ten times the cost of the present docks and wharfs and landing facilities because of the great variation of water levels and the longer docks that would be required.

I should like to bring another matter to the attention of the minister. This department has been spending money on the upper Duncan river for 20 years, but a senior official has never visited the Duncan river to study the problem there for himself. I do not think it is fair to local officials that these decisions should be left entirely to them. It is a heavy responsibility at times. It is the same on the lower Duncan. There has been some $5,000 a year spent there for years, and to good effect, but there are problems arising with respect to other developments in that area and I suggest the situation is one which should be considered by the deputy minister and the senior engineers.

To illustrate this, I would refer to the Trail river wall situation. The people of the district appreciate very much the government grant of 37½ per cent of the cost of the reconstruction of the Trail river wall. But this is an important project, a project of such a type in relation to other developments on the river that I think the deputy minister or senior officials should pay very close attention to it and not leave the responsibilty entirely to one engineer. There are serious problems with respect to foundations and so on which were not anticipated in the first estimate, and others will develop as time goes on.

Another problem is the question of the pollution of the Kootenay and Columbia rivers. I will deal with that matter later, but this is a problem that will have to be faced in the years ahead, and I think it is a problem which should be on the agenda of the minister and his senior officials so they may have the background from personal knowledge, as a result of visiting this area, before they undertake any concrete action. I hope the minister will find it possible in between his engagements on television to visit the Kootenay district. This remark applies equally to the deputy minister and some of the senior officials, because there are some growing problems which involve other departments.

Another suggestion I wish to make is this. I think there should be increasing co-operation among the various departments, namely the Department of Mines and Technical Surveys, the Department of Northern Affairs and National Resources and the Department of Agriculture, because some of these things are directly related to the development of agriculture in the area. Once again I suggest that the local people in the district should be kept informed of what the department is doing.

I think this should be undertaken in two ways. I think there should be authorized press releases. It is amazing the amount of misinformation that can be given out as a result of speculation and rumour. I have even found men coming into the district expecting employment on a certain project because of false information which has been retailed in the press and elsewhere. I do think there is a place for factual information with respect to the work being undertaken by the department, and I think this is a necessary aspect of public relations. You would be surprised to know, Mr. Chairman, that although the government of Canada is contributing a certain percentage of the cost of certain projects, because of the lack of these periodic press releases containing factual information the public is not aware of the fact that the government of Canada is investing so much money in certain developments in co-operation with provincial and municipal authorities. I do suggest that this proposal of mine should be given further consideration.

Now I am going to repeat a suggestion which I think I have made on previous occasions, and one which I think is possible. In the first instance we should like the minister to come to the district and give us a television show or even address a public meeting and meet the local people. I want to thank the minister for a most enjoyable 30 minutes recently on the Toronto program which should be called "Financial Fantasy," I enjoyed it, and every time there was a close up of the minister's face I loved looking at that cherubic expression. My old landlady said "You know, that there old fellow couldn't do any wrong. He looks too innocent". Anyway, I do hope he gives consideration to this suggestion.

These are matters of importance to local communities. The people who live in larger centres such as Vancouver, Toronto, Peterborough and places like that are possibly not so greatly affected, but when you live in a district where there are a lot of small and isolated communities near which there is considerable expenditure of public funds by this department, it has an effect on the lives of the people in those communities. I do urge that even more consultation should take place between officials of the department and local organizations such as chambers of commerce, farmers' institutes and, in some cases, women's institutes; because you will find that in some cases the activities of the department are affecting a beach on which the women's institute has been spending money for years as a playground for the children of the district.

When contact is made with these and other groups it should be on the basis of calling on the executive, or on the committee. I am not one who believes in trotting around seeing one or two people, regardless of political opinions, who claim to represent the opinion of the community. Very often they represent only themselves. I realize there has been a tremendous improvement in recent years, but I think this co-operation should be developed further.

Now I come to my fourth suggestion, and that is that there should be more concern shown for casual or temporary employees. This is a most unusual use of the term, because a man may be a temporary employee after he has been working for the department for 30 years. As I say, more concern should be shown for the so-called casual or temporary employees. May I illustrate this by saying we have a dredge on the Arrow lakes known as *Dredge Arrow Lakes* which does this work of dredging, pile driving and things of that sort. There is a crew which has been on that dredge for many years. Some of these men have worked for the department for years and years. They are very capable. They understand the operation of the dredge. In a number of cases they have refused, shall I say, more profitable employment because they have been with the department for years, they like the work, and they have a sense of loyalty to the department, a certain esprit de corps. On occasions the work of this dredge is discontinued. It was discontinued in November of this year and the men were simply laid off without reason being given. I suggest we should retain this crew of good employees in these circumstances by an arrangement of the work done on certain projects and by timing so as to make it possible for them to continue doing some work, whether it is repairs on the wharves, river bank work or something else of that kind.

I do urge that further consideration be given to providing continuous employment for men who are in reality permanent employees of the department. I do not think it is good enough that they should be ditched at the beginning of November and told there will not be anything doing until the spring. There have been occasions when men were taken from other jobs to assist with certain projects, but I think those tasks could have

been delayed and these men used for that purpose. The number involved is not large; the total is eight or ten at the most.

When the minister replies I wish some information with respect to the policy of the department concerning the design of public buildings. I believe we can arrive at a policy which provides in every respect for the functional and the beautiful. We have had no information to date which clearly outlines the department's policy with respect to the design of certain types of buildings, certain sizes of buildings, for certain types of sites, various communities and so on. I hope the minister will give us information in that respect before his estimates are completed.

The question of the trans-Canada highway has been raised. We are all pleased that the Rogers pass section of the highway will be opened some time this year. That will be a great achievement for the department and of great advantage to the people of Canada. Could the minister give us information concerning the latest dispatches from the front? In this connection I wish to direct attention to an article in the Revelstoke *Review* of February 15 which is not very enthusiastic about the hon. member for Kootenay West. The editor is a prominent Social Crediter; a nice chap but very misguided. I quote:

> Gunners fight glacier slides.
>
> Gunners of 2nd field regiment Royal Canadian Horse Artillery from Winnipeg, Manitoba, have had their busiest winter yet with their program of firing at potential avalanches in Glacier national park.
>
> The avalanche control program is a co-operative project of the Department of National Defence and the national parks branch of the Department of Northern Affairs and National Resources designed to reduce avalanche danger to a minimum in the Rogers pass area where the trans-Canada highway is in its last stages of construction. The highway is expected to open in the summer of 1962.
>
> The artillery detachment from the regular army use a 105-millimeter gun-howitzer and a 75 millimeter pack-howitzer to fire at specified potential avalanches. The gunfire either stabilizes the snow, or brings it down as a "controlled" avalanche.

It goes on to give the details of what was done in this respect. We would like a report from the minister concerning this interesting development. The minister is fortunate in having a former general as deputy minister. Years ago I had little love for generals, but I have since met one or two of whom I am very fond. The deputy minister, being a former general, should be in a position to give us the latest dispatches from the front and report on the success which this attack has achieved to date. I trust we will hear from him in this respect.

Mr. Pallett: The N.D.P. has a love of general confusion.

[Mr. Herridge.]

Mr. Herridge: I did not hear that interjection. We will soon be completing the trans-Canada highway. Others have mentioned the necessity of a second trans-Canada highway, and naturally most people support the route that would serve their district best. I am not parochial in my attitude. I always support the point of view which I think is of advantage to Canada. The hon. member for Cariboo may want the second highway to go beside his ranch. I do not go along with that point of view.

I suggest that the southern transprovincial highway in British Columbia should be a portion of the second trans-Canada highway for several sound reasons. First of all there is the population in the southern part of the province. There is also the production of the area and the tax revenues. Also it is an all weather route. I shall not speak at great length on the subject at this time. However, it is time the government gave consideration to the second trans-Canada highway. While it is doing so I trust the minister will give consideration to the many arguments that have been advanced with respect to the southern transprovincial highway in British Columbia being a part of the second trans-Canada highway.

There is another problem to which consideration should be given. Under the minister's jurisdiction there is the beneficent legislation with respect to grants to municipalities for the construction of sewage disposal plants, etc. We will have to broaden the base of this excellent legislation if we are to meet successfully the increasing problem of the pollution of our rivers and lakes across the country.

This provides a tremendous opportunity for co-operation among the federal, provincial and municipal authorities. I hope the co-operation is of such a nature that the results will be evident. It should be a co-operation which people can understand and in which they may participate in spirit. There is a growing problem on the Kootenay and the Columbia rivers caused by the increasing population. No individual industry or community is directly involved, and the problem has increased in recent years because of growing industrial development and the expanding population. The department will have to consider introducing legislation and improving existing measures to remedy the situation while it still can be remedied.

We have sewage disposal from the city of Nelson going into the Kootenay river. We have industrial waste and other limited disposal of wastes. There is industrial waste going into the river in East Kootenay. I hope my friend the hon. member for Kootenay

East is not aroused by my comments. All this waste is going into the Kootenay river. The municipalities are unable to meet the problem unaided because they lack the financial resources. I urge the department to give consideration to a study of the pollution problem on the Kootenay and Columbia rivers. Action cannot be taken without knowledge and facts. Then an effort should be made to interest the provincial government and local authorities. As a result of the co-operation among the three levels of government a solution to the problem must be found before it becomes more serious.

In connection with this problem I was interested to read in a recent issue of the Ottawa *Citizen*—the one containing a sketch of our recent leader—an editorial dealing with this subject:

A full-scale attack on water pollution.

This country is far from coming really to grips with the problem of pollution of its waters. Isolated steps have been taken, all of a commendable nature, but there is yet no vigorous and comprehensive national policy.

I am in complete agreement with that editorial statement.

The international joint commission has to its credit a co-operative program of several years' standing in restoring and maintaining the purity, as far as possible, of streams on both sides of the international boundary in the great lakes region.

I know from reading reports and sitting on committees of this house that the commission has done an excellent job with the co-operation of industry and municipalities in the area. I see that the hon. member for Essex East is listening to my remarks with great attention.

Mr. Martin (Essex East): I always like to listen to the hon. member, even when in error.

Mr. Herridge: We have the same approach in that respect. I continue:

The federal government can point to its inducements to municipalities to build sewage treatment and disposal plants; this is a constructive step and represents one of the best things the present government has done in any field.

Yet much more needs to be done. The Ottawa river is still in a disgraceful condition. This has been pointed out many times but never more forcefully or with more detailed documentation than by Mr. Gustave Prevost, chairman of the recently published Quebec water purification board, in a paper prepared for the resources for tomorrow conference last fall.

The latest body to express concern about pollution of water—and in the air and on land as well—is the health officers of British Columbia, in an appearance before the royal commission on health services.

I bring this to the attention of the minister.

The health officers submit that Canadian municipalities—and perhaps even provinces—are unable to cope with the problem, and that it should be attacked on a national scale.

In the commons recently a private bill introduced by H. W. Herridge of Kootenay West to levy heavy penalties on industrial firms polluting interprovincial waters met the usual fate of such bills and was talked out.

Even though the Prime Minister had introduced a similar bill in 1955.

Everyone who spoke was as much opposed to pollution as to sin, but no one seemed ready to do anything.

The government itself appears content for the time being to rest on its far from adequate anti-pollution measure which is hoped will result in the construction of more municipal sewage disposal systems. If the measure is effective, well and good, but the industrial wastes aspect will still remain. It is doubtful whether the mere imposition of penalties is going to bring desired results.

I do urge that serious consideration be given to having a study made of the major problems with respect to water pollution across Canada with a view to approaching the provincial and municipal governments for joint action by all governments so that this very dangerous situation which will face us in the years ahead can be corrected. In this connection, Mr. Chairman, once again here is a problem that requires local participation, in that you have to have local understanding of the problem and local support for the solving of it so that municipalities and other governing bodies will receive support for any taxation measures they wish to introduce to meet the cost of these very desirable works.

That is all I have to say at the present time on item No. 1. I have a few remarks to make with respect to particular items when they come before the house, but I shall now resume my seat.

Mr. MacLean (Winnipeg North Centre): Mr. Chairman, I have a few brief remarks on item No. 1 of the estimates of the Department of Public Works. Inasmuch as the constituency of Winnipeg North Centre is in the middle of the city of Winnipeg, it is not favoured with too many public works projects, but I should like to thank the Minister of Public Works for the construction of a fine building last year which now houses the unemployment insurance commission. Although there were some difficulties with regard to the provision of public facilities, I understand that these have now been overcome.

I do not think there is anything in the estimates for the forthcoming year for the construction of further public buildings in my constituency, although there is some hope that sooner or later we may perhaps get a post office building constructed in the Weston section. However, I should like to thank the

minister and the federal government for the announcement made last fall with regard to slum clearance in the city of Winnipeg, and in particular in my constituency. This is something that has been talked about by my predecessors in the house for the past 16 to 20 years, but nothing was ever done about it.

The fact of the matter simply is that in October of last year the federal government announced a plan to participate in a slum clearance project in Winnipeg North Centre in the amount of approximately $4 million. As I say, this is a major step forward, because in Winnipeg North Centre we have some areas that certainly deserve such treatment. I understand that the project itself still has not been approved by the provincial legislature, and so far there is no agreement between the city of Winnipeg and the province which would enable the minister to tell the house when a start can be made on the project.

I should also like to ask the minister if anything further has been done with relation to slum clearance in the area just south of the C.P.R. tracks and west of Main street. In the planning stage this was to have been the No. 1 project in slum clearance, but for some reason or other it has now become the No. 2 project. I should also like the minister to tell me, if he can, just how far negotiations have proceeded on this aspect of the matter.

I should also like to make one further point having to do with housing for our senior citizens. When we are dealing with such housing it is necessary now to go through the National Housing Act and pick out the applicable sections. I might say that Central Mortgage and Housing Corporation has done a good deal in this regard. In the city of Winnipeg many C.M.H.C. projects have been constructed which have certainly served the needs of some of our senior citizens. But the fact still remains that there is a need of accommodation for single old age pensioners, particularly for those who are just barely existing on the old age pension and have no other assets or alternative income. The C.M.H.C. projects already constructed for the benefit of senior citizens make provision for married couples and only those couples who are able to pay rent, which sometimes takes all their old age pension cheque.

I have in mind consideration of that type of construction known as hostel type accommodation. The minister is familiar with this. He has received representations from myself and other members from the city of Winnipeg with regard to the project undertaken by the aged and opportunity bureau in the city of Winnipeg two years ago. There is a crying need for it in my constituency because it contains a large low rental rooming house area where senior citizens who are single and have no relatives, exist, and I do mean exist.

The government has seen fit to do more for the old people of our country by way of old age pensions than any other government in our history, and I submit that it is time we took a look at housing for our senior citizens on a separate level entirely. Perhaps there should be a separate act with regard to housing for senior citizens, or if not a separate act there should certainly be a section in the National Housing Act dealing solely with the provision of housing for our senior citizens.

The hostel type of accommodation would fulfil a dire need, and when the minister replies I would ask him to advise me with regard to anything that has been done in the way of setting up, either under C.M.H.C. or in his department, a division to deal with this subject. I conclude by commending the minister and the government again for their direct attention after assuming power to the matter of slum clearance in the city of Winnipeg.

Mr. Garland: Mr. Chairman, I rise this morning to participate very briefly in the debate on a subject that interests a great many members of the house no matter on which side they sit, and I refer to the question of housing. I was interested in the minister's speech yesterday. I watched him as he began, and he seemed to be flushed by the effect of the rather heady wine of the personal praise of the Prime Minister—

Mr. Walker: My speech had not arrived.

Mr. Garland: —for his recent television extravaganza. The minister made yet another presentation to the house yesterday and, as he knows, I listened very carefully. In fact I have read his speech this morning. I believe this is an attempt to create a new image of him as a sort of great producer, now. I hope perhaps to show that this is a new interest, a new flair.

I have marked a few things in his speech upon which I should like to comment. According to page 1374 of *Hansard*, the minister referred in very glowing terms to the impact of house building and related industries on the national economy. He said that it had been revealed in all its sharpness and clarity by the giant forward steps taken, and so on.

I hope to be able to show that this was a period of feast or famine in the house building industry.

Further down on the same page I find the minister used a new term which sounds very well. He said:

—woven into the whole fabric of housing, bright and chromatic in its colours—

I thought perhaps yesterday I had misunderstood his language, and when he said "chromatic" I thought he said "aromatic". I think that would be a little more appropriate according to some assessments of the situation. In another sentence the minister makes reference to the lower income families in a very complimentary way so far as the government is concerned. Yet I think it can be shown that last year some 92 per cent of the people who borrowed under N.H.A. were earning more than $80 per week, which is more than the national average. I believe this statement in itself is an answer to the government's extravagant claims.

In the next sentence I find another term the minister used "most vividly impart to hon. members something of the drama of housing in Canada..." The drama of housing interests me. Here the minister shows he is not satisfied with just being an actor on T.V., as I said a moment ago; he now wants to be the producer. Another item that attracted my attention was his reference, on the following page, to the 2.5 million Canadians who now have new homes as the result of the present government's action. Well, that points up the 16 million Canadians who have houses that they acquired under more favourable interest rates and costs under the previous administrations.

I was rather intrigued by his reference further along to the unoccupied houses. The minister referred to 36 major Canadian urban centres in which there were 4,223 unoccupied houses. I know the minister's regard for figures, an interest that he displayed the other evening on television. Those figures used by the minister refer to the situation as of December 31, 1961. I should like to point to an article appearing in the Montreal *Gazette* just ten weeks earlier, which stated that there were 1,600 C.M.H.C. homes and 10,000 private units vacant in that area alone.

Without making any further comment, I just wanted to refer to that situation. Again, further down I find this:

> —it has been necessary at the same time to maintain the lowest possible interest rate so that borrowers do not find themselves confronted by unnecessarily excessive costs for the money they have obtained.

Well, now, that is a strange observation. I should like to do something I have never done before, and that is refer to something I said in this house on an earlier occasion. I am going back to June 15 of last year, and I quote from page 6382 of *Hansard*:

> As I mentioned earlier, today's main deterrent is not the scarcity of mortgage funds but rather the high cost of mortgage funds. In an earlier debate I dealt in some detail with this 6¾ per cent N.H.A. rate. Suffice it to say today that a person buying a $15,000 home over a 35 year period will pay $22,476 in interest.

How any one can associate that with keeping interest rates down so that borrowers will not find themselves confronted by unnecessary excessive costs for money, is indeed difficult to understand.

Now, Mr. Chairman, I think the one point that really struck me was the minister's reluctance to make a forecast of the situation for the present year. I suppose he has his reasons. I can think back to 1960, when a forecast was made by the then minister of trade and commerce to the effect that there would be 140,000 new homes in 1960. As we know, unfortunately the year ended with only 108,000 new homes started. The minister went on to use another phrase that interested me. He said there were too many imponderables. I thought to myself, what an accurate assessment of the fickle whims and fancies of some of his government colleagues.

The minister ended his speech on a very high note, and I think that reflects his broadening interest resulting from his travels. He referred to his travels in Europe and southeast Asia. As I say, he closed that section of his remarks yesterday on a very high plane indeed, for which we are all glad because, like most members of the house, I like the minister. We like him personally, and I certainly have received nothing but the best co-operation from his department, from his officials and from the minister himself. I sometimes feel a little bit sorry that he inherited the situation he did from his predecessor, the present Secretary of State for External Affairs.

I should like to begin now, Mr. Chairman, where I left off in this house last June. Having regard for the requirements of the next decade, which I am sure will demand more and more of our attention and resources, and having in mind the social and economic ramifications of such a great program, I suggested that future governments might well give consideration to giving separate cabinet status to this important area of government responsibility. In this way the housing needs of our people and the economic influences resulting from an adequate program would be assured a strong voice in government, and would not be left to another division tagged on to another department as it is at the present time.

Now, I know the minister would like, especially if this is to be an election year, to have the public believe that all is well in housing under this newly developed Progressive Conservative socialist regime. The minister, encouraged by the Prime Minister, never misses an opportunity to make extravagant claims and try to create the impression that the Tories rescued the house building industry.

What are the facts? In the past two years under this minister housing starts totalled 234,000, while in 1955-56, the last two years of Liberal administration, housing starts totalled 265,000. These are the facts, 32,000 fewer starts in the last two years under the Diefenbaker government. Yet, from the Prime Minister down, all government supporters have said during the past four years, from every platform where an audience could be found, that housing under the Liberal administration was at a standstill. If that be a proper description, then housing under the Tories in 1960-61 could be described as at a standstill minus 32,000.

Yesterday we had the minister pointing, as he has every right to do, to the employment resulting from housing, but on that basis there is a difference here of 80,000 fewer jobs. What better example could we find of a government misjudging the situation than to have housing, which is admittedly a good work providing program, grinding to its lowest ebb during 1960-61 when at one point over 700,000 of our people were looking for work? No amount of campaigning or campaign literature will ever get this government off the hook for such a blunder and miscalculation.

Let us examine the record further. First there was a frantic overstimulation of the house building industry by a nervous, inexperienced government, building the wrong houses in many cases for the wrong people in the wrong areas, a situation brought to the nation's attention by a prominent Canadian banker, Mr. Ashforth. This period, under the minister's predecessor, the present minister of external affairs, was described as a Tory housing binge; but following the binge comes the sobering up period, and that was handed over to the present minister which brought us to the greatest period of slack in house building, 108,000 starts in 1960, which served to aggravate the unemployment situation of 1960-61, the period of highest unemployment in our history.

Throughout this whole affair the ministry jointly must take the blame. We cannot accuse the Minister of Public Works of being solely responsible for this, not by any stretch of the imagination. The ministry talked and travelled and doodled. I just got the dictionary off the table a few minutes ago, Mr. Chairman, and I think "doodling" is the best description we can have. It says "an aimless scrawl while one's attention is engaged elsewhere," and I think this word is properly applicable to the ministry.

Under this government the period to which I have referred in the housing field has been one of the highest interest rates since the N.H.A. has been in effect. It has been a period of turning on and turning off the tap on mortgage funds. It has been a period of overstimulation of the house building industry, which resulted in higher costs through many inefficient would-be builders being artificially encouraged, and it has been a period of overpricing of land to keep pace with the overstimulation of the industry. It has also led to periods of slowdown. Without detracting from the number of houses built by this government during that period, may I say that in general it has been a period of high costs and uncertainty, a situation for which the government must take its full share of the blame.

I have one further observation to make of interest to Canadians. In their attempts to administer during this period, these self-styled champions of free enterprise in four years, have had to use approximately $1,500 million to support their on again off again housing program; while the former Liberal administration in an earlier period of greater economic buoyancy, with an extra drain on funds, was able to build a comparable number of houses and used only $100 million of public funds. Do you get the picture, Mr. Chairman; $1,500 million by the Tories and $100 million by the Liberals? What an example of Tory free enterprise.

Now, let us examine the present situation. After the war many small homes were built of the two bedroom style, but today the family which occupied one of these has grown and more space is required. The need for larger quarters is very real in thousands of cases across the country. The occupant of one of these homes is a prospective house buyer, but he is discouraged or unable to build or buy for several reasons which I would like to refer to briefly.

First of all, he is unable to get his equity out of the original house. Hence the need for extending N.H.A. lending facilities to assist him, and this is something we have been talking about on this side of the house for the past three years. There is another factor, and probably equally important, in that he is only paying 4.5 per cent or 5 per cent on his existing N.H.A. mortgage entered into during the days of Liberal administration. He is naturally reluctant to increase the size of the mortgage which under this administration would mean paying an increased charge of 6.5 per cent. In the back of his mind he knows that the present high interest rates are not necessarily permanent, and that is another factor. He remembers the lower interest rates of earlier days when the economy was buoyant and competition for funds was keen.

There is a further reason, and I believe a very real one. It is his lack of confidence and reluctance to take on added financial responsibility in view of this government's record

of failure to keep the economy rolling. We have seen a period of retrenchment, a recession, a slackening in job opportunities under this administration, and this is a matter of real concern to the prospective buyer when he is considering taking on new responsibilities. This government, despite increased spending and increased taxation, has not faced up to the unemployment problem, a problem which is worse in this rich young land than in any industrial nation in the free world. It is little wonder then that the prospective home buyer, despite his need for larger accommodation, is reluctant at the present time to take on added financial obligations.

The current year, 1962, without further encouragement may well be a year no better in terms of housing starts than 1961, which could be considered good only by comparison with the standstill year of 1960. We were naturally pleased by the government's effort to encourage the establishment of a secondary market for mortgages. The minister knows our feelings on this subject. For three years we have talked and argued about them in this house, and for the success they have had we are glad. If my memory serves me right something like $41 million worth have been sold. This is a small amount when we consider the amounts that are available, but when one considers the problem of disposing of mortgages at lower interest rates than those that have been disposed of, then one can have a fuller appreciation of the problem. Having taken this first little timorous step I think it is now time to give consideration to our second recommendation that envisages participation by small investors. This is something that we have talked about for a long time. I think it would have a very real effect in reaching the objectives that are so desirable.

We also noted with interest the reduction of one quarter of one per cent in the N.H.A. interest rate last fall. The minister knows our opposition to high interest rates and to the folly of his government's policies that led them to high interest rates, so he will understand me when I say that in regard to this one quarter of one per cent reduction, if ever the term "too little, too late" applied, it is here.

Last year saw another unfortunate development as a result of this government's policies and action. I refer to the Ontario sales tax. The committee will remember the scene at Massey hall, where our Prime Minister and the premier of Ontario stood arm in arm. The Prime Minister was introduced as the man who was going to give Ontario its just dues. When we look back to see what he has given Ontario; he has given that province a do it yourself kit. Now Mr. Frost has gone, but the sales tax remains and is adding to the cost of housing every day.

I should now like to make a few suggestions, if I may.

The Deputy Chairman: Order. I was just going to point out that the hon. gentleman was straying momentarily from the subject matter before the committee in the sales tax part of his address.

Mr. Garland: Thank you, Mr. Chairman. I was just about to make some suggestions. I make them without in any way trying to minimize or detract from the efforts of the government. I think the first matter that should be given consideration—I referred to it earlier—is the extension of National Housing Act lending facilities to older homes. I have referred to homes that have been bought relatively recently, but I am now thinking of those thousands of older homes—I have referred already to this matter and I apologize to the committee for referring to it again, but I think it is important enough to bear repetition—occupied across this country by elderly couples whose families have grown up and left. This is a great waste of housing accommodation. These people would be very anxious to dispose of their large homes and purchase something more in keeping with their present requirements. The problem, of course, is to finance the sale of these homes. I think there is room for great improvement in this field by the extension of lending facilities to older homes such as now exist for the construction of new homes. The present situation means a lack of sales and, the longer we wait, a lack of jobs.

I also suggest that the government give consideration to granting a rebate of the sales tax on house building materials used during the winter months. We not only have a problem of extremes in the financing situation in this country—the scarcity of funds and periods of plenty—but we also have extremes as far as the weather is concerned. I think anything that recognizes and helps to solve this problem would be useful.

I also return to another old complaint of this party. I refer to reducing or removing the 2 per cent premium which has been stubbornly clung to by the government to insure its own mortgages. This fund must be nearing $80 million. I think it was $72 million last year, and it would be about $80 million now. If that is not correct I am sure the minister will correct me. This may have been a necessary precaution in the beginning, but all it is now doing is adding about $300 to the cost of the average home.

Of course I should not let the opportunity pass without a plea for lower interest rates.

The minister knows our views on this subject, and I am not going to delay the committee by repeating them now. At least we are consistent in this complaint; I am sure the minister would agree with that. I would refer the minister, for spare time reading, to the pages and pages of *Hansard* when his colleague the present Minister of Finance was on this side of the chamber, and to the outbursts from him to which we used to listen when there was an increase of perhaps only a quarter of one per cent. I remember that on one occasion the increase was one quarter of one per cent.

I should now like to say a few words about urban redevelopment and our hard pressed municipalities. The Canadian problem is not only to clear up slum areas, but as I see it it is also to prevent slums developing whenever possible. This calls for more planning, more land assembly, more municipal planning, more technical assistance. Here I return to where I began. This is the sort of thing that could be carried out even better with the full attention of a ministry of housing. This is a tremendous problem and as such it is a great challenge, especially against the background of the financial need of our municipalities.

I should like to refer to some public financing statistics published by the dominion bureau of statistics, which point out that in 1960 the municipalities incurred a net deficit of more than double the 1956 level; in 1956 the defiicit was $295 million and in 1960 it was $506 million.

The federal government contributes to the cost of blight areas only if the land is used for housing development. Often, however, a good, sound renewal project requires other kinds of development. A new Liberal approach would be to contribute to the cost of clearing land for any appropriate use and would include sharing the cost of renewing and improving basic services such as water, sewers and streets in the development areas.

The Liberal policy for municipal development would operate as part of a national development program. For the last four years the Liberal party has recommended the establishment of a municipal loan fund. This fund would be organized in consultation with provincial and municipal representatives. It would not conflict with existing sources of capital, and it would provide loans for sound municipal improvements of which the provincial governments approve but for which capital is unobtainable on reasonable terms from existing Canadian sources. These loans would create new jobs all across Canada.

To sum up, Mr. Chairman, I would say that the Liberal approach in this municipal loan fund program, in co-operation with the provinces, would provide money for municipal services and would do a great deal for housing in this country. We would increase the federal government's contribution to slum clearance; we would broaden the federal government's contribution to all kinds of urban renewal costs; we would provide special aid to municipalities and distressed areas; we would provide capital for rural redevelopment plans, and in co-operation with the provinces we would increase the construction of low rental homes.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

(Translation):

Mr. Fortin: Mr. Chairman, my remarks will be very brief, the more so as their implications are of a more local nature.

As the representative of a rural constituency, I want to point out that, sometimes, people living in those ridings are sorry that circumstances do not enable the Department of Public Works to be as generous with them as it can be with the large centres. Nonetheless, the people living in rural constituencies have an equal right to generous treatment by the Minister of Public Works (Mr. Walker). That is why I would like to deal with one particular point, and I think that the minister will see the need for amending some regulations now in force in the Department of Public Works.

First of all, I should point out that before 1956 the outgoing members of parliament—I refer of course to those on the government side—always came to their constituents with some election bait which took the form of retaining walls.

Thus, in my own riding, which is on the banks of the St. Lawrence river, it was possible to identify the residence of a supporter of the government candidate by the retaining wall behind his property, with the result that at certain times the river banks looked like a toothless comb because at some places there were retaining walls while in other spots, there were none.

I think there has been a lot of abuse in that field in the past, and I submit that the Department of Public Works is justified in laying down and enforcing regulations, but those regulations should also be interpreted according to circumstances.

In that same line, I want to ask the Minister of Public Works to consider a project which is very dear to me. The most important centre of the constituency I represent in this house is the town of Montmagny, which is on the St. Lawrence.

Like all Canadian cities, Montmagny wants to expand, to progress, to have its citizens benefit from the same advantages enjoyed by other Canadians, that is to say, find more healthy housing and have the advantage of buying houses slightly off city limits.

The most logical place for the development of Montmagny is of course towards the river, for several reasons. First, on account of the possible sewer and water system facilities and especially—and that is the main point, in my opinion—because a residential development along the river, like around a lake, has much more value than inside land.

Now, in the town of Montmagny, on the St. Lawrence side, a vast territory is now developing. The lots have all been subdivided, and there are certainly 200 of them. Many are those who are interested in buying those lots to build a home, but a regulation of the Department of Public Works prohibits the building of a retaining wall at that place so that this project of several million dollars is now in abeyance, and will not be carried out until the Department of Public Works has agreed to spend about $20,000 on a small retaining wall to prevent the disintegration of the land and consequently to allow the people concerned to build houses on those lots.

Mr. Chairman, if we consider the generosity shown by the Department of Public Works to my predecessor, who was of course a member of the cabinet, I think the department should show at least the same generosity towards the people of my constituency.

I feel that circumstances must be taken into account when that regulation is enforced because in certain areas it does not apply since the erosion is not exclusively the result of navigation. Thus I was happy to find that, in the constituency of Levis where I was born and which is represented by my hon. friend the member for Levis (Mr. Bourget), a large retaining wall was built at St. Nicolas which certainly did cost at least $50,000.

That wall is built along the river in a bay. Navigation did not cause any or very little damage there in the past because there are in the area only small cottages valued at between $1,000 and $3,000. I went to see the owners of those cottages and 90 per cent told me they were not interested in that wall and did not want it. It was forced upon them even though they were incurring no damage whatever.

Mr. Bourget: Mr. Chairman, would the hon. member allow me a question?

Mr. Fortin: Certainly.

Mr. Bourget: The hon. member just stated that a retaining wall was built at St. Nicolas and that the owners there did not want any. Did the hon. member really say that, because I do not want to put in his mouth words he did not say?

Mr. Fortin: Many owners did not want any; at least, that is what they told me.

Mr. Bourget: I must tell the hon. member that this wall was not erected under the Liberal administration, but rather under the present government. Moreover, the minister has on hand the requests from the property owners. Therefore, he can see that the minister did not show himself more generous to me than to others.

Mr. Fortin: It is unfortunate that the hon. member for Levis (Mr. Bourget), who had told his constituents that they had obtained that wall thanks to his efforts, should have destroyed in a few words what little credit he had claimed.

Mr. Bourget: I rise on a question of privilege.

Mr. Fortin: The hon. member for Levis can do so when I have completed my remarks.

Mr. Bourget: I think the rules allow a member to rise immediately when he is being credited with remarks he never made. I never went to St. Nicolas to say that it was as a result of my efforts. The member for Montmagny-L'Islet (Mr. Fortin) is wrong once more.

Mr. Fortin: I am happy to hear that. I know that he probably did not say that, and even if he had, he would probably have said something contrary to the truth because I am not sure that it is as a result of his work.

In any case, I want to point out to the Minister of Public Works that even if some riparian owners asked that the wall be erected, I still think it was not needed at that place. I am convinced that it was throwing money away.

As for me, I am asking today for something that will be to the economic benefit of the district I represent. As I said, I have here the plans of a housing development that may number up to 300 or 400 houses.

At the present time, nobody will buy property for fear of erosion. That being the case, I am asking the minister to relieve unemployment which, fortunately, is not too severe in my constituency. I am asking him to assist in that development by giving consideration to the construction of a retaining wall even where it is forbidden by the regulations.

I am asking that the regulations be given a broader interpretation, so that just to save approximately $20,000, a project worth two or three million dollars will not be blocked.

Mr. Bourget: Mr. Chairman, I should like to say a few words in answer to the hon. member for Montmagny-L'Islet who asked the minister to have a retaining wall built in the district of Montmagny-L'Islet.

He also said that the previous administration had been generous to the former member for that riding, the then minister of northern affairs and natural resources, now premier of the province of Quebec. I believe that wall was justified since that part of the land in Montmagny-L'Islet is located along the river.

Mr. Fortin: Things have not changed.

Mr. Bourget: I should like to point out to the hon. member that I am not opposed to his request. Furthermore, if he would read my previous remarks in that respect he would find out that I wanted the minister to change the regulations, providing for the building of a retaining wall only when damage is due to erosion.

However, I find it odd that that retaining wall was refused the member for Montmagny-L'Islet while the member for St. Hyacinthe-Bagot (Mr. Ricard) had one built on a river not used for navigation, which means that there was no justification for it under the regulations. I am wondering how the member for Montmagny-L'Islet managed that. He let the member for St. Hyacinthe take advantage of his suggestions and have a wall built in a non-admissible area according to the regulations while he cannot get one himself for land located along the river.

(Text):

Mr. Walker: Mr. Chairman, on a point of order, as much as I respect my hon. friend, we have not yet reached the item relating to harbours and rivers. We are still on item 1. I appreciate that my hon. friend is answering a question, but could we not proceed with item 1? Perhaps if everyone has spoken on item 1 we could proceed with the other items.

Mr. Bourget: Mr. Chairman, on the point of order, since when are we not entitled as members of this committee to say what we wish to concerning these items? Never in the 22 years during which I have been a member of this house has a minister asked any member to refrain from speaking about the items in the blue book. I feel I am fully entitled to speak to this subject and I believe the point of order raised by the minister is not a real point of order.

The Deputy Chairman: It has been the practice in the committee to consider the first vote of any department as a catch all item. Accordingly it is difficult to restrict the debate within narrow confines. I shall not rule that the hon. member is out of order in view of the past practice.

Mr. Bourget: Thank you, Mr. Chairman. I wish to add one or two words to my reply to the hon. member for Montmagny-L'Islet.

(Translation):

I come back now to the matter of the construction of a retaining wall at St. Nicolas. As I was saying, the hon. member for Montmagny-L'Islet, who comes from Levis, knows the place very well. He knows that this part of the St. Lawrence river is the narrowest, the channel being only five or six hundred feet wide. Surely, if there is one place where the construction of a retaining wall is justified, it is at St. Nicolas.

Mr. Fortin: The waves do not even reach the land but stop at the beach; the hon. member should know that because we went swimming there together.

Mr. Bourget: I am not going to embark on a controversy with the hon. member for Montmagny-L'Islet. But if he looks at the estimates for this year 1962-63, he will see another ground for my argument because there is a $70,000 item provided for the construction of a wall in a community of the Lotbiniere riding which, I think, is surely justified.

I certainly fail to see why the hon. member for Montmagny-L'Islet should say that the construction of a retaining wall at St. Nicolas is not justified.

That is all I had to say, Mr. Chairman.

Mr. Ricard: Mr. Chairman, since we are dealing with the estimates submitted by the Minister of Public Works, I shall take this opportunity to fulfil an obligation on behalf of the people I have the honour to represent here, that is to thank him and his staff for the generosity and kind attention bestowed upon me each time I have had to deal with any member of public works personnel.

Through the co-operation of the departmental staff and with the approval of the minister himself, federal buildings have been built in my district. To begin with, a building to house the various services was provided in St. Hyacinthe. Post offices were also built in two of the most beautiful villages in my constituency. And one should not forget to mention the great many retaining walls which were also erected.

As opposed to what was done in the past, our political friends were not the only ones to obtain retaining walls along their properties.

Through the length of the village of St. Denis, for instance, as well as at St. Charles, we have put up retaining walls along all properties regardless of the owners' party affiliation. This was not done in the past. Just three or four weeks ago, I was glad to hear that, in the village of St. Charles, the department intended to complete the job by erecting a wall at those places still unprotected.

Speaking of retaining walls, and since my hon. friend from Levis, the former parliamentary assistant to the Minister of Public Works, if I am not mistaken, has had his say in this matter, I myself should like to take a few minutes to refer in particular to the retaining wall at St. Joseph in Yamaska.

I must at once acknowledge the word of commendation extended to me by the hon. member for Levis for having obtained that which, he himself, backed by the minister whose parliamentary assistant he was, did not succeed in getting during the many years he held that post. But the whole truth of the matter must also come to light and the whole story should be told about what happened concerning this St. Joseph retaining wall.

The hon. member for Levis (Mr. Bourget) must know or at least he should know that in 1939-40, a retaining wall was built near St. Hyacinthe to prevent the floods which used to cause damage in that city every year.

Under the act, there are two reasons for which a retaining wall may be erected: when erosion is caused by navigation or when it is due to the presence of a federal structure.

That is precisely what happened at St. Hyacinthe. The construction of a retaining wall on the city side resulted in the deviation of the Yamaska river thus causing erosion of the properties on the St. Joseph side.

The previous government never could understand the situation. That is why the present Conservative government whose characteristic it is to see things as they should be seen asked the Minister of Public Works to visit the site at my request.

I should like to say a few words also about the trans-Canada highway.

Anyone who is familiar with the riding of St. Hyacinthe-Bagot is aware that my constituency and the surrounding district are known as the "garden of the province of Quebec".

Very few districts in the province have as good farm land as that area.

That is why when the Department of Public Works' estimates were under consideration last year, I called the public's attention to the fact that the provincial government, by the new route it was suggesting for the trans-Canada highway, was going to cut in half the finest farm land of my riding and of the whole province.

This point is most important if you consider that only 4½ per cent of the whole area of the province of Quebec is suitable for farming.

That is why—and also because farmers asked me to make representations on their behalf—I raised this matter last year as I am doing now. In so doing, I feel that I am fulfilling my obligation to look after the best interests of my constituents.

Our farmers in St. Hyacinthe-Bagot, more particularly in the parishes of La Presentation, St. Thomas d'Aquin, Ste. Rosalie, St. Simon and St. Hugues, have the best dairy herds not only in the area but, I would venture to say, in the whole province of Quebec.

I feel it is my duty, in view of the importance of agriculture, to bring the representations of my friends, the farmers, to the attention of whom they concern.

In October 1960, a quick survey had been made, but the present government of Quebec, more out of spite than for any other reason, I would say, decided to disregard all that had been done previously and to adopt a new system. As I said a moment ago, Mr. Chairman, the new route of the trans-Canada highway will not only force the people of St. Hyacinthe to travel an additional 15 miles to get to the heart of the city of Montreal, but it will cut the best land in my riding in two. I submit that, from the agricultural point of view, it is a shame to go through the best land of the province of Quebec in this way. So I am asking those who can bring common sense to that team now in Quebec—

Mr. Pigeon: The wonder team.

Mr. Ricard: —to exert all their influence to have that wonderful district of ours protected, for in a few years from now, I believe it will be very difficult to develop those farms, because they will be bisected.

Mr. Deschatelets: Ask for elevated highways over your lands.

Mr. Ricard: There are probably many other methods that the member for Maisonneuve-Rosemont, who just made this interruption, probably does not understand, but which are nevertheless good.

Mr. Chairman, in order to show that I am not the only one to be conscious of that situation, I should like to read into *Hansard* a resolution passed by the municipal council of La Presentation, on December 4, 1961:

Whereas in St. Hyacinthe the opinion does not as yet justify the construction of the section of the trans-Canada highway and the completion of highway No. 9 with two lanes between the town of St. Hyacinthe and St. Hilaire.

Whereas the preliminary route of the highway affects about 20 of the best farms in the municipality of La Presentation since these farms would be completely disorganized as a result of the construction.

Whereas the municipality of La Presentation would be affected by a loss of value of such uneconomic farms.

Whereas our farmers need sufficient security and income to adequately practice their profession.

Be it moved by alderman Adrien Beauregard, seconded by alderman Philibert Poirier, and unanimously resolved that the municipal council of the parish of La Presentation supports the request of the taxpayers in connection with completion of highway No. 9.

That is the two lane highway between St. Hyacinthe and St. Hilaire.

[Mr. Ricard.]

Now, Mr. Chairman, I should like to bring to the minister's attention some information which I received and which, is a cause of concern not only to myself, but to my fellow citizens as well.

With respect to the construction of the trans-Canada highway, in my constituency and in others through which the highway will run, so-called good patronage is at work. I understand that in the province of Quebec, there are two kinds of patronage: good patronage, that is the one practised by the "wonder team", and bad patronage, that is anything that does not come from the provincial government.

I made inquiries, and I shall prove in due course, with supporting evidence, that no one can work on the trans-Canada highway project without having his membership card with the Liberal association or without having been recommended in one way or another by the organizer of the Liberal party in the riding or parish concerned. I would ask the minister to look into the matter and see that the situation is corrected, because, Mr. Chairman, you will agree that it is not fitting that only a selected few be allowed to work on the trans-Canada highway. Recognition should be given here to the principle we followed for the construction of retaining walls and for other federal projects in St. Hyacinthe-Bagot. On those projects, we never showed any preference because of political affiliation, we always employed anyone who wanted or needed work and we always relied on the local unemployment insurance office for labour.

I feel it is my duty to draw this matter to attention once again. If the present proposed route in the parishes of St. Thomas d'Aquin, La Presentation, St. Charles and elsewhere is adhered to, an agricultural abomination will be committed and future generations will not easily forget it. As I said earlier, only 4½ per cent of the whole area of the province is suitable for farming and, considering the general industrialization which is taking place in Canada, legislators have a duty to ensure that every inch of farm land is preserved.

Mr. Deschatelets: Mr. Chairman, I had not intended to challenge any of the assertions made by the hon. member for St. Hyacinthe-Bagot (Mr. Ricard), but since, once again, he proved to be much less serious than we thought he was, it is my duty to set the facts in their proper light.

When the hon. member for St. Hyacinthe-Bagot talks about patronage and pretends that membership cards are required before jobs can be obtained on the trans-Canada highway construction, well, I must say he is not serious. He is not serious, because if the hon. member for St. Hyacinthe-Bagot had evidence of all this, he had the opportunity of stating his case in this house today. But he has been relaying the assertions of the leader of the opposition in the Quebec legislature, and let me tell him today that he may rest assured that the shameless patronage which so often used to take place under the Union Nationale is now a thing of the past in the province of Quebec.

Mr. Ricard: I have 20 affidavits or so to attest to what I have been saying.

Mr. Deschatelets: The hon. member for Levis (Mr. Bourget) examined yesterday the items we are being asked to approve by the Minister of Public Works for 1962-63. That examination was made in the minister's presence and he did not in any way question the accuracy of the figures quoted by the official opposition critic for that department.

It is obvious from that analysis of the facts that the department is not taken seriously and that it does not play its part in the difficult situation we are in at the present time.

Mr. Chairman, those departmental estimates are being decreased at a time when over-all government expenditures have reached astronomical figures.

That examination has definitely shown that we now have a second government orphan. The Department of Labour was one and there is a second one now, the Department of Public Works. The first to suffer from this state of affairs are the thousands of Canadians who have been suffering from a shameful unemployment situation for the last four years.

I have no intention of going into details about the problem of unemployment but, as it is directly linked to this department, I will just mention some figures that were published in *La Presse* on February 16. I quote:

> Unemployment insurance: 601,200 people registered at the end of 1961.

And further on:

> The benefits paid out totalled $29,400,000 in December. They stood at $20,900,000 in November.

What else but inaction, neglect or misjudging of the situation would explain the fact that the expenditures of that department, which totalled $220 million in 1958-59, were reduced to $203.8 million in 1959-60?

What else but unconcern would explain the fact that in 1960-61 we were asked to vote $195.9 million, another decrease in the estimates compared with those for the previous year?

Yesterday the hon. member for Levis made this comparison which is much more eloquent than any speech. If we do not take into account the expenditures for the construction of the trans-Canada highway—statutory expenditures that can increase or decrease according to needs—we find that those estimates of $195.9 million for the fiscal year 1960-61—that is a year of unemployment and want—were in fact only $7.9 million higher than those for the year 1956-57, a year of prosperity.

Mr. Chairman, what explanation is there for the fact that for the next fiscal year, 1962-63, there is a decrease of $463,343 in comparison with the previous year? What explanation is there—

Mr. Flynn: That is quite an argument.

Mr. Deschatelets: Yes, that is quite an argument except for the Minister of Mines and Technical Surveys who is certainly blindfolded and buries his head in the sand in order not to see the truth.

Mr. Flynn: The hon. member sings to himself; he is telling himself stories.

Mr. Deschatelets: How can that be reconciled with the fact that during the last two years of Liberal regime, in 1956 and 1957, there were more housing starts across the country than during these last two years of Conservative administration? And at this point let me quote the following figures: for 1955 and 1956, 265,000 houses; for 1960 and 1961, 234,000 houses, a decrease of 31,000 houses. Represented in employment figures, that means 80,000 less jobs than in 1955 and 1956.

Well, Mr. Chairman, one wonders—

(Text):

Mr. Walker: Does the hon. member want an answer to that at the moment?

Mr. Deschatelets: Oh, no. The minister had an opportunity to make a speech explaining

everything, but instead of making the speech which he should have made, his was only a childish effort. He did not give us the accounting of his department that he should have done. He may have the opportunity later on to discuss this and comment on it.

(Translation):

Mr. Chairman, one wonders—

Mr. Fortin: If you are not afraid of an answer, sit down and listen.

Mr. Deschatelets: One may wonder whether Conservative members, the Minister of Public Works and his colleagues from the cabinet are aware of the people's urgent needs—or is the Minister of Public Works not taken seriously by his fellow members of the cabinet.

Mr. Chevrier: That is obvious.

Mr. Deschatelets: I just quoted some figures according to which in 1955-56, that is in a year of prosperity, more houses were started than during the last two years, where, because of the economic difficulties we experienced, we should have gone ahead in that field. But the Minister of Public Works was not up to the situation.

(Text):

In fact we are wondering what he is doing. We can ask ourselves who does he think he is? What does he think he is paid for—to sit tight in his big chair all day long and do nothing? The minister has even forgotten the promises of 1958.

(Translation):

That attitude of the Minister of Public Works is found again in an extraordinary statement he made, as reported by the Toronto daily *Star* of September 13, 1960, and which indicated an unexplainable irresponsibility. I hope that the minister will not tell us that he was misquoted. The title of that statement is:

(Text):

Public works poor way to make jobs: Walker. Federal public works minister, David J. Walker, said last night it is uneconomical to construct public buildings to fight unemployment.

"We can only justify the expense of any such building if Canada needs it," he said. Public works for the sake of providing jobs he termed "one of the most expensive ways" of creating employment.

(Translation):

Mr. Chairman, I say this shows only too well not only the attitude of the Minister of Public Works, but that of the government.

However, there is a thing for which I give the Minister of Public Works full credit, and that is his frankness. But he will understand if I disagree with him.

[Mr. Deschatelets.]

Mr. Chairman, if the unemployment situation is alarming today—and we know it is—I submit that we should all make an effort to lessen the hardships resulting from such a situation. I believe that all departments should tackle the problem and resort to every possible means, long term and short term measures, and we know the Department of Public Works could take some short term measures which would partly relieve the unemployment situation. But that statement of the Minister of Public Works indicates that he and the government do not care to spend the necessary amounts to check unemployment.

Mr. Ricard: Order.

Mr. Deschatelets: As for us in the Liberal party, our policy is well known. We are ready to pay whatever it will cost to put back to work Canadians who are unemployed. And it is easy to note the difference between the attitude of the present government and that of the Liberal party. We are consistent and we have the right to speak here, for during the years when we administered the country—

Mr. Pigeon: There was unemployment.

Mr. Deschatelets: —unemployment only stood at an average of 2.8 per cent for the ten year period extending from 1946 to 1956.

Mr. Ricard: Order, order.

Mr. Deschatelets: It so happens that this average was equivalent to full employment.

Mr. Chairman, at the request of the hon. member for St. Hyacinthe-Bagot (Mr. Ricard), who does not like to hear about unemployment, no more than his colleagues, I will leave this subject—

Mr. Ricard: Mr. Chairman, I rise on a point of order. Since we are now considering the estimates of the Department of Public Works, I believe that an hon. member is not entitled to start a discussion on unemployment. Unemployment is an altogether different thing from the estimates of the Department of Public Works and I submit that we should stick to the consideration of the estimates now before the house.

Mr. Chevrier: Mr. Chairman, on the point of order raised by the hon. member for St. Hyacinthe-Bagot, my opinion is that the member for Maisonneuve-Rosemont (Mr. Deschatelets) was not dealing with the unemployment situation as a whole, and that he was fully entitled to discuss the subject since the Minister of Public Works himself dealt with it during the course of his remarks yesterday. I therefore believe that the hon. member was fully entitled to speak the way he did.

(Text):

The Deputy Chairman: I am referring to the minister's statement on page 1376 of *Hansard* earlier today, when I was dealing with a similar point of order. In that statement he said, among other things—and I am not using his exact words—that house building had provided so many man years of employment. To that extent, by way of analogy I am sure the hon. member for Maisonneuve-Rosemont is in order in dealing with this matter.

(Translation):

Mr. Deschatelets: Thank you, Mr. Chairman. However, I want to be fair with the minister. If his department lacks enthusiasm, vision and ideas, I am not ready to put upon him alone the burden of his failure.

When a man has done everything he could, when he has reached the limits of his capacities, his failure is noted but the blame cannot be cast upon him.

We must be fair. It may be that the Minister of Public Works, having been connected with the courts of law for many years, could have been an excellent solicitor general. It is not his fault if he is not in the right place at the head of the Department of Public Works. I believe his outbursts of temper, which sometimes hide arrogance, should be forgiven. I think he rather deserves our sympathy and that we should attempt to assist him, for the sake of everybody.

I should like to say a few words on the trans-Canada highway as part of the joint projects. Yesterday, when the hon. member for Levis (Mr. Bourget) had the floor, some Conservative members raised the question of joint programs. They tried to show a difference between our stand now concerning those joint programs and the stand we had in the past. Well, I wish at this point to put on record a statement by the Leader of the Opposition (Mr. Pearson) which was published in *Le Soleil* of November 7, 1961:

> The Liberal leader said he thought the federal government should withdraw from joint plans of a permanent nature. That suggestion applies especially in the field of social security.
>
> Upon ending its financial participation in those programs, the federal government should compensate the provinces by giving them more room in the field of direct taxation and by adding equalization in order not to increase their financial burden. Such a system does not mean however that the Liberal party will not put forward in the future any new joint program, but it means that those new plans, if they require a permanent and rather regular expenditure, will not be in effect for more than five years before being handed over to the exclusive control of the provinces.

Mr. Chairman, having read that statement of the Leader of the Opposition, I should like to read also into the record a sentence from the speech made by the present premier of the province of Quebec at the federal-provincial conference last year. That quotation may be found on page 35 of the proceedings of that conference. I quote Mr. Jean Lesage:

> In our opinion, this situation has become undesirable. The existing joint programs have played a stimulating role in the economic and social development of the country; in several cases, they have supplemented provincial initiatives. But these programs are now sufficiently well established on the provincial scale to enable the federal government to cease taking part in them and to vacate these fields. The federal government should be prepared to accept this request. Obviously, in such a case, it would be necessary to compensate the provinces fully for the additional financial responsibilities assumed by them. This financial compensation should take the form of additional taxation rights specifically reserved for the provincial governments and of correspondent equalization payments. If this were done, each province would be free to use its revenues as it sees fit in the fields of jurisdiction that belong to it.

I hope, Mr. Chairman, that our position has now been made clear, as well as that of the government of the province of Quebec, about those joint plans.

I should like to add this. It is quite obvious that for those works or undertakings of a national character, we must consider both the constitutional aspect of the situation and the public welfare.

No one will deny that a trans-Canada highway was essential to this country, that such a project involved provincial problems and that it could not be undertaken otherwise than on the basis of federal-provincial cooperation. That is my view, as it has always been. There is nothing new in the fact that when those plans are set up they must in no way be permanent, and that the sooner we get out of them the better.

Mr. Chairman, I should now like to draw the conclusion that naturally evolves from the consideration of those estimates by saying this. The government is not taking this department seriously. It does not give the Minister of Public Works, in the present circumstances, the important and essential part that should be his. And finally, it is quite obvious that the government has no plan nor any specific policy to solve the economic problems we are now facing.

(Text):

Mr. Walker: Mr. Chairman, in reply to the hon. member—and I will only be very brief and will not trade insults with him—the actual total expenditures in the Department of Public Works for 1955-56 to 1956-57 inclusive averaged $82.1 million; for 1956-58 and 1960 to 1961 inclusive they averaged

$204.7 million. No matter how you insult or exaggerate, the figures speak for themselves.

In housing it is the same record. If in 1960 and 1961 the figures were not as high as before, it is because in the two years 1958 and 1959 they reached the enormous and astronomical number of 164,632 starts in 1958, and in 1959 the figure was 141,345. As a matter of fact I have gone into those figures before to indicate that the housing under our administration so far exceeded the housing under the Liberal administration that it is only an hon. member such as comes from Maisonneuve-Rosemont who would even have the audacity to get up and compare the figures. No matter how he uses that virulent tongue of his and no matter how he dishes it out, the departmental figures do not lie and they speak for themselves. Is it not about time that we had an end to all this nonsense?

Mr. McFarlane: First, I should like to take this opportunity to congratulate the minister on the excellent showing that has been made in this past year. I would be very remiss if I did not also pass along my thanks to the officials of the department for their assistance during the year.

I should like to support the hon. member for Kootenay West in what he had to say about the contentious question of sewage disposal. At the present time this problem is not too serious in my area but with the expansion that is going on I can see that within a very few years we shall be facing the same situation. Likewise, I should like to mention my support for a southern trans-Canada highway. This will be classed as our number two highway. We have just about completed the first highway and with any luck it should be opened this year. What we need now is a trans-Canada highway running through the southern section of the province of British Columbia.

I should like to bring the minister's attention to some of our problems in British Columbia; they may be a little different from those which have been raised so far. I realize that British Columbia is not too popular a province at the present time—

Mr. Walker: It is with this government.

Mr. McFarlane: We are going to make some changes. Our problem at the present time has to do with flooding conditions, and I will begin at the top end of the constituency of East Kootenay. East Kootenay has generally been considered as the lost lamb of the province of British Columbia; it was too far from Victoria to be considered, and it was too far away from Ottawa to be known about. My difficulty at the present time is to present the facts about the needs of East Kootenay and bring them to the attention of this committee. First I should like to begin at the northern end of the district where we have a flooding problem. It is in the municipality of Golden, which is steadily expanding. The village of Golden is situated on an ancient flood plain or small delta, mainly built up from materials brought down by the Kicking Horse river to its confluence with the Columbia river. It consists of firmly packed coarse gravel overlaid by a thin mantle of silt. As such, in an area with limited land suitable for building purposes, the delta of the Kicking Horse river has become a valuable townsite building area. On the other hand, the Columbia river, north and south of Golden flows in a swampy silt filled valley, where the waters easily seek new channels and courses. In the environ of Golden the river maintains a permanent position along the rim rock of the west side of the valley. Though this advantage exists, making it possible to build a town at Golden, the condition is in delicate balance. During the three months of summer freshet the Columbia spills over its channel on to part of the townsite, and the water table rises over a large area to an undesirable height.

Flooding in this area has become periodic in recent years and the situation is gradually becoming worse. The main cause would appear to be the influence of the Kicking Horse river upon the free flow of the Columbia river. The alluvial deposits, mostly pebbles and round rock up to six inches in diameter, spill into the Columbia and have built up bars and shoals for several hundred yards downstream. This action has slowed the free flow of the river so that the Columbia is filling its channel with gravel and silt above the confluence with the Kicking Horse river.

Another factor which congests the flood waters of the Columbia in the environ of Golden is a narrow reef of bed rock which crosses the river a few hundred yards below the Kicking Horse junction and which outcrops on the east bank of the Columbia in the form of a small obstructive island.

We have made several recommendations to the departments concerned, both federal and provincial, but so far we have not been able to get any government to accept the responsibility for alleviating this flooding condition. I have with me today a brief submitted by the people of Golden. We are asking for the assistance of the government, and the question that arises is: which government is responsible? Is it the provincial government, is it the federal government or is it both? I feel it is up to this government as the senior government in the dominion of

Canada to take the lead in this matter and, if necessary, to put it on a fifty-fifty basis. Let us do this so that the people in the area can be assured that they are not going to be flooded out year after year.

A similar situation exists in the village of Athalmer further down the Columbia river. Streams running into the Columbia bring down shale and rocks, and have built up the river to such an extent that in some cases the water is actually running up hill. This can easily be seen. The people in this area have built up a certain amount of equity in their homes, businesses, motels, and so on, and the problem today is to prevent the flooding which threatens the existence of much of this property each spring.

I am going further down the valley, and we now come to the Kootenay river. Similar flooding conditions are encountered there, especially where the Goat river runs into the Kootenay. This government is very interested in the Kootenay because it will be part of our power project as soon as the necessary arrangements can be concluded.

I have brought up these three points as a matter of interest and I should like to ask the minister if he will consider taking action on a fifty-fifty basis. As I said earlier, I believe we should take the lead in bringing this matter to a satisfactory conclusion. I notice that a proposal has been made to spend approximately $63 million this year on a flood control program around greater Winnipeg and that the federal government is to pay approximately 60 per cent of the cost. A similar plan was undertaken a few years ago when Vancouver was experiencing flooding difficulties. Many millions were spent in order to control these floods. It seems to me that although the large centres are provided for, the smaller centres are not being given the consideration to which they are entitled.

I do not think there is anything I should like to add at the present time. I should be pleased to discuss this matter either with the minister or with his officials to see whether this problem can be approached in such a way that the people of this area can be assured that their land, their property and their belongings are not going to be washed out during the freshet season. I have received numerous letters from the department in which it is claimed that this is not a national emergency. Believe me, when a man sees his home and his business going down the river he knows it is a national emergency for him.

Mr. Walker: Mr. Chairman, in answer to my hon. friend who asked me to reply may I say this. As this is a municipal and provincial question—and I am shocked to think they have provided no relief up to the present time to my hon. friend's area—there is no possible way in which the Department of Public Works could intervene.

Mr. Martin (Timmins): Mr. Chairman, I wish to compliment the minister on being such a nice, co-operative gentleman with whom to deal during the years he has held his present office. At the same time I think the minister is a complex fellow. We have had two exhibitions of his complexity within the last week. The first was on television the other night. The program was thoroughly enjoyed by everyone I spoke to who had seen it. The second demonstration was the performance we witnessed in the house yesterday. As a result I find it almost impossible to understand why, when he is such a capable fellow privately, the minister must try to make a public idiot of himself.

Mr. Caron: And succeeds.

Mr. Martin (Timmins): The minister appears to have a split personality. His schizophrenia is so extensive that I have known him to privately apologize for public insults.

Mr. Walker: That will be the day.

Mr. Martin (Timmins): In any event I do not think I should pursue this subject or I shall be guilty of indulging in the same language that the minister used yesterday, which I do not think is in the best interests of the discussion in this committee.

Yesterday he attempted to drown the committee with figures. He attempted to lay claim on behalf of the government for every house and building constructed in Canada by federal governments, provincial governments, municipal governments, co-operatives, school boards, credit unions, private citizens, and so on. In view of his television performance I would not be surprised if the minister had a count made of all the beaver houses built last year in order to place a value on them and claim them, too. I do not wish to take away from the minister any credit of which he is deserving. I am perfectly willing to admit there has been a marked improvement in his department, particularly compared with his record during the first year he served in that portfolio. Speaking in this house at that time I remember pointing out that the minister regretfully did not follow the excellent example of his illustrious predecessor in the department. The first year there was a considerable falling away and I am pleased to see the minister is now attempting to take up the slack. I think it would be advantageous if he were to spend less effort patting himself on the back and more energy attempting to determine what remains to be done.

There are three matters in which he should take more interest in the future than he

appears to have taken in the past. The first is the shameless exploitation of labour in the housing field, especially that coming under his jurisdiction. There has been a shameless exploitation of immigrant labour. I fully realize that the minister and government members may say that a large part of this matter comes under provincial jurisdiction. That is true but the fact remains that in the public mind and in the eyes of the people involved the federal government is responsible and will receive the blame for it. People consider that because these houses are being built with the taxpayers' money the government must assume some of the responsibility and manifest a keener interest to ensure that these conditions are corrected.

Another aspect of this problem has been brought to my attention as it affects my own and other ridings where people building houses through various means are attempting to evade the responsibilities which our society requires employers to assume. Instead of letting out contracts, some are attempting to evade responsibility such as that of providing for workmen's compensation, unemployment insurance and so on. Again in the eyes of the public and those concerned the blame is laid squarely at the door of the minister and the government. Even when you explain the federal government is not directly involved, people take the position that it is federal government money that is being expended and the government should ensure that these conditions do not prevail. This will reflect on the federal government until the minister shows more interest than he has in the past.

Another way of looking at it is this. If the minister wishes to take credit for every building constructed in Canada he will also have to accept the responsibility and blame arising from any problems in the construction field.

Another matter in which the minister should express more interest is that of the calibre of the housing being built across the country particularly when public funds are involved directly or indirectly. There is a growing list of complaints in this regard. People are becoming increasingly critical of the calibre of material being used in buildings. They do not want the building to collapse before the mortgage is cleared off.

On two occasions, through the present minister and his predecessor, I have had to call for investigations into public housing built with public funds in my area. On both occasions while the construction appeared to meet minimum standards I can assure the minister the people blamed the federal government and were far from satisfied with the calibre of materials.

[Mr. Martin (Timmins).]

It is significant that although the minister had extended time yesterday to present his estimates neither of the points I have raised was mentioned during the course of his remarks.

A third matter deserving more attention is that of slum clearance. No mention was made of present or future plans in this field. The minister outlined the department's plans for the construction of public buildings, post offices, harbours, bridges, and wharves across the country but gave no indication of recognition of the problem of slum clearance let alone mentioning any plans to deal with it.

With that in mind I wish to read from the daily *Star* of June 3, 1961 an article entitled "Ottawa Should Lead" which accuses the minister of doing little more than lecturing the municipalities in this regard, and knowing the minister that is perhaps a correct assessment. The article reads:

> Scoldings don't clear any slums, not even when the scoldings come from Canada's public works minister himself.
>
> In Halifax this week, Mr. David Walker complained that Canadian municipalities were "not making nearly enough progress" in getting rid of slums and halting the spread of blight. He said that Ottawa offered "generous assistance" to the municipalities for these purposes, but the municipalities weren't making full use of it.

Then it goes on to say:

> But the municipalities know from experience—for example, Toronto with Moss park—that being offered this kind of assistance is one thing; actually getting it is another. Because Ottawa has a big financial commitment in projects of this nature, Ottawa tightly regulates them and is painfully slow to approve them—if and when it does, in fact, approve them.
>
> The proof of this legislation, as of any other, is in what it accomplishes. For all the years that slum clearance and public housing have been on Ottawa's statute books, scarcely anything has been done to clear slums or to build public housing. (For the last ten years, construction of public housing in Canada has averaged fewer than 800 units a year.)
>
> The trouble is not just in one quarter, but all along the federal-provincial-municipal line—too little in the way of leadership; too much in the way of governmental and intergovernmental complexities.
>
> As for leadership, it should come mainly from Ottawa, which is the main source of money and authority in this field. Rather than rail at the municipalities, let Mr. Walker rally them to the cause of self-improvement.

I have spoken on many occasions in the house about the blight of slums on our society in every city and town in our country, and I do not intend to go into the details at this time. But I should like to point out once more that slums are responsible for enormous costs, for crime, social problems and degradation for fire traps, sickness, unemployment and additional welfare costs. Until such time as the federal government really takes the lead in this field and gives some leadership

to the provinces and municipalities in the form of a long term program we will not have met the problem. It is no use just taking one area, tackling the problem, meeting it there and thinking the job is done because while you are doing that slums are growing up all around you. This is not something you can do once and forget about it. It is a long term project. That is the only way the problem can be met, and the costs involved would be more than offset by the savings in other fields if and when the problem is met. Before the debate ends I hope we will hear something from the minister with regard to this field. I think he would be much better advised to spend his energies in this field rather than in a back-patting exhibition such as we saw yesterday.

Mr. Henderson: First of all, I should like to compliment the minister. He is one of the best we have ever had at Ottawa. He has done a great deal for the region from which I come. The people there did not know anything about housing until he became the minister but now we are getting plenty of houses. Let a Liberal, a Social Crediter or what have you run in my riding and he will see what the people who live there think. The minister has done a real job. We have a suburban development with good houses and people are living in the houses they really want.

But that is not what I want to talk about. I want to talk about a road to provide means of communication for one of the most beautiful towns you ever saw, the town of McBride. The town nestles against the Rocky mountains but there is no road out. There is a highway six miles away which stops abruptly. I have spoken to the Department of Public Works and tried to get some action to have the road finished. Thousands of people live in that beautiful country, one of the richest parts of Canada. I hear talk about the countryside around Ottawa and in Quebec. You have not seen anything until you have seen McBride. The people are prosperous but they are cooped up against Mount Robson. Any of you who have traveled west by the C.N.R. know that the train stops on the way through the Rockies so that the passengers can look at the mountains and the guest camp that has been there for years. It was there when I was a child.

There are ranches in that area, plenty of timber and beautiful dairy farms. When you get a chance to go west you should take a look at McBride. People from the United States are coming in there. We Canadians seem to be asleep because the Americans are buying land there. There is an influx of settlers from the United States at the present time.

As I say, it is magnificent dairy country but we need a road so that people can go to Edmonton or through to Prince Rupert. I am not going to waste the whole afternoon talking about this matter. I hope the minister will take a look at the situation and see that we get a road, because we need it badly. Talk about Newfoundland, Ontario or Quebec; here is a wonderful place, but without a road—and you have got to have roads in that country. You cannot go through there with an automobile at all. Forty years ago work was being done on the railroad but there has been no advance so far as a road for automobiles is concerned.

When I first came here I thought I would have no trouble getting a road. I have not succeeded yet, but I am not going to waste good time by talking all afternoon because the minister knows the problem and I am sure he will do something for us. As I say, he is the best public works minister we have had for many a day.

Mr. McMillan: Mr. Chairman, I want to ask the minister some questions which he can answer when he replies. First of all, I should like to ask him if there is any chance in the immediate future of a reduction in the interest rate on N.H.A. mortgage loans. When the minister announced the reduction from 6¾ per cent to 6½ per cent he put on record the amount of the saving to the home owner paying off a mortgage.

I maintain that the mortgage rate is too high at the present time and I think the minister will probably agree with that. However, I believe he said yesterday that mortgage money was being obtained at a reasonable rate. When the Minister of Finance and other members opposite were in the opposition I have a vivid recollection of hearing them lament in long speeches in the house about the high rate of interest on N.H.A. loans when the rate at that time was in fact 5¼ per cent. When the rate was increased to 5½ per cent they really became frothy about it. They claimed they were speaking for those people who were paying on mortgages, the little man who was paying off his mortgage.

Members of the government party patted the minister on the back when he reduced the interest rate from 6¾ to 6½ per cent. Under the former government by far the great majority of N.H.A. mortgage loans were made at 5¼ per cent, but under this government the great majority have been made at the rate of 6¾ per cent over a 25 year term. I might say that the mortgages carrying a 5¼ per cent interest rate were for a term of 20 years.

If we take a $10,000 mortgage, apart from taxes and other charges against the property the owner will have paid in 25 years $20,551.46 for his house, whereas at an interest rate of 5¼ per cent over 20 years he would pay $16,196.40. In other words at a rate of 5¼ per cent over 20 years he would save $4,455.06.

These are some of the benefits this government has handed the people who are buying homes. I have similar calculations worked out on the basis of 5½ per cent, 6¼ per cent and so forth. At the present time, this saving of $4,455.06 would be decreased by an amount of $467.10 if we took into consideration the present 6½ per cent rate. These calculations do not take into consideration all the extra charges that have been put on the new home buyer as a result of the fiscal policy of this government because of capitalized costs for new sewers, new roads, and so forth. The new home buyer also has to pay more in general taxes. I feel that every new home owner in Canada should be acquainted with these figures because they will show him how much more he is paying. I would predict, Mr. Chairman, that none of these figures will appear in that new magazine, the *Conservative Canadian.*

I should like also to ask the minister if he can tell us what rate of interest the universities are being charged for their new building projects, and also what rate of interest the municipalities are being charged for their new sewage disposal projects. About a year ago there was an article in the Halifax *Chronicle* complaining about the fact there was a decrease in the estimates providing for new federal public buildings in the province of Nova Scotia. I note that this year the estimates contain less for the construction of new public buildings, not only in Nova Scotia but in nine out of the ten provinces across Canada. I know that at one time the Prime Minister said, that there are different measures that might be taken to overcome unemployment. He had this to say:

> As long as I am Prime Minister, no man or woman is going to suffer from unemployment so long as public works will provide them the assistance they require.

I obtained some figures from this book of estimates for 1956-57, and I just wanted to compare them with the estimates for 1962-63. The amount provided for the construction of public buildings in all the provinces in 1956-57 was $57.6 million and this year it is $35.9 million, down 40 per cent. If you deduct the amount provided for new public buildings in Ottawa, you will see it is down practically 50 per cent. In the 1955-56 estimates, the amount provided for construction of public buildings in Nova Scotia was $3.5 million, and this year it is $1.3 million, down 65 per cent. New Brunswick stands about the same. Quebec is down from $10.4 million to $4.5 million, over 50 per cent. Ontario, apart from Ottawa, is down from $9.99 million to $6.8 million, down about 33 per cent. Manitoba is down from $2.7 million to $338,000, about 85 to 90 per cent. The same situation applies to Saskatchewan, and it is down 85 per cent to 90 per cent. Alberta is down from $4.1 million to $1.4 million, down about 60 per cent. British Columbia is down from $6.1 million to $2.3 million, about 60 per cent. I do not believe, Mr. Chairman, this department is doing very much, so far as new buildings are concerned, to help cure unemployment.

Last year I was interested in a vote of $50,000 provided for investigating the feasibility of building a causeway from Prince Edward Island to the mainland. I notice there is another $50,000 provided in the estimates this year. I understand this brings the total amount for the engineering of that project up to $700,000. I might say that I crossed from Cape Tormentine to Borden about four or five years ago and I thought it was a very beautiful part of the country. I hoped the minister or some of the members from Prince Edward Island might bring this subject up for discussion because I feel we should get some interim report from the minister. I met somebody who was down there soon after the last election and he said he had gained the impression from talking to people down there that the project was to start the very next week. I do not know whether or not this was one of the promises the Prime Minister made. I do recall not long ago reading an article in a heavy construction magazine, from Toronto I think it was, under this heading, "Is P.E.I. Crossing Any Closer?" The article mentioned the engineering problems in connection with the project and raised such questions as the ice hazard. The pros and cons were given with regard to building a bridge all the way across, building a causeway with a swing bridge in the centre or building bridge approaches from either side and then having a tunnel in between. Reference was also made to the problem of a rail line going through the tunnel. Nobody seemed to know too much about the movement of the ice if a causeway were constructed across this strait.

Now, I wonder if the minister could bring us up to date on the feasibility of the project? He must have some information now after spending $700,000. I hope, since it is getting close to election time, the minister has not made up his mind that it might be more feasible to build it now and then reverse his decision after the election.

Mr. Matheson: Mr. Chairman, I should like to speak briefly on item 1 and mention what we regard as an urgent problem in Canada, the need for community growth. We believe that there must be a responsible and well conceived national plan which will help municipal development. It would appear, sir, that some years ago the then leader of the opposition, Mr. Diefenbaker, felt this to be of importance.

I have been checking back on some of the statements that were made in 1957. The *Globe and Mail* of April 26, 1957, quotes Mr. Diefenbaker as saying:

> We cannot face complacently the fact that we have rising tax bills, rising debt both provincially and municipally.

In his opening campaign speech on April 25, 1957, one of the arguments which he made was:

> We believe there can be no national unity in this nation until there is a realization that the federal-provincial matters have handcuffed the provinces of this nation; have denied the municipalities adequate sources of revenue; have placed the provinces and the municipalities in a position where they cannot discharge their constitutional responsibilites.

Then, on April 26, 1957, a Canadian Press report in the Winnipeg *Free Press* indicated that Mr. Diefenbaker pledged to work out new tax sharing arrangements with the provinces which would strengthen Canada's federal system and give provinces and municipalities the funds to carry out their responsibilities.

Probably there is no area of government labouring under greater difficulty at the present time than our municipal governments. We all know that there are plenty of useful things waiting to be done in this field. I live in an old part of Canada which was developed many years ago. It is along perhaps what could become the most beautiful riverfront in the world, with a community extending pretty well from Kingston to Cornwall, all of which was developed in the very early pioneering days. With some sort of assistance much could be done to improve living conditions in that part of the country, particularly at a time when we have an urgent unemployment problem.

Mr. J. J. Deutsch, speaking on Canada's economic problems in the winter edition of the *Queen's Quarterly* mentions the fact that the first half of 1961 indicates an average rate of unemployment of about 7.5 per cent of the labour force. It is clear from this article, and other articles published by economists, that during the past five years the Canadian labour force has grown twice as rapidly as in the preceding five year period. These are conditions which this administration has to face, and the problems are not going to end there because the projection appears to indicate that the expansion in the Canadian labour force over the next five years will be equally as large as in the last five years, and here to compound the problem is automation.

If you are really serious about recovery, and we believe recovery can take place with foresight, thought and direction, then serious attention must be given to the problems of municipal governments as well as those of provincial governments. This seems to be a need which is quoted by a great many publications. The *Listening Post* of February, 1962, which is the organ of the Canadian Federation of Mayors and Municipalities, asks a question which I think would not have been asked a few decades ago, perhaps not even 10 years ago. Its editorial is titled "What will the federal government do about municipal borrowing" and it says:

> In the fulfilment of this need—for public transit, water supply, sewage disposal, roads, bridges, schools, hospitals, recreation facilities and the renewal of blighted areas in the central cores of our cities and towns—there exists one of the greatest potential opportunities for increasing the employment of Canadian plant capacity and Canadian manpower in the years ahead. Surely, in any well-conceived government policy, one of the nation's primary efforts should be focused on such basic programs of development in our cities and towns.

The editor of the paper indicates that this would of course be beneficial to all segments of the nation's economy, and it is sound and responsible, particularly because it is largely self-liquidating. He speaks of borrowing being "an indivisible responsibility" and says:

> The chief obstacle to community development is not the reluctance of senior governments to make outright grants to local authorities. It is the lack of co-operation among the three levels of government in examining together the whole range of their capital requirements and in arranging the necessary borrowing.

It is the problem of paying. How are these municipalities going to pay for the things we know should be done in each of our towns and cities in Canada, and which can be done with a little bit of help? What these municipalities are asking for now is the full and continuing co-operation of the federal government in mobilizing the capital needed for such works, and that is why the comments made from this side of the house are so germane to the growth problems facing the local municipalities.

The N.H.A. amending legislation relating to sewers is the kind of thing for which we commend the minister and his department. We know this is important and we can see the results of it in small towns and cities. However, this major step in the right direction has got to be extended to cover a good many

other basic needs such as roads, subways, bridges, water supplies and conservation projects. It is not a policy of handouts which is being sought. It is the mobilization of capital as a national responsibility and this is the place where we must make this demand understood and known.

It is the attitude of the Liberal party that loans from a municipal loan fund in Ottawa would create new jobs all across Canada and will help to get our economy moving again on sound projects. The improved community services which we need are largely the responsibility of the municipalities and most of our municipalities have adequate plans for further development. In the area which I represent we have the community of Westport where it would be of great benefit to have better dock facilities. The city of Brockville, the town of Gananoque and the village of Athens all have plans for water supplies, schools and so on, and these projects could be implemented if there were a possibility of these municipalities borrowing at some advantageous rate.

In my riding I have been concerned to see that we have not used the winter works program in the fullest sense that might be possible, but I find it is simply impossible because the municipalities are stretched to the limit in their expenditures and cannot go beyond them.

The January, 1962, edition of *Local Finance,* which is published by the Canadian tax foundation, a wise and helpful organization for citizens who are interested in better government has an article dealing with "The changing pattern of responsibilities". It says that what were once thought to be municipal responsibilities are no longer thought to be simply that. This article indicates that most of the essential local services which originally were the responsibility of local governments alone can no longer be precisely defined, and that government action in response to an increasing public demand for more government services and for better standards of performance for existing services has served to obscure the division of responsibility between governments.

When one studies what local governments do today in their executive and administrative problems in fire protection, law enforcement, street lighting, public works, streets, bridges, roads, sanitation, waste and in many health services and social welfare agencies, and add to that the obligations of education and recreational facilities and the problem of debt charges and utilities, their appropriation reserves for all the contingencies that are necessary with respect to uncollectable taxes and accounts receivable and property acquired for taxes, we see the great burden placed on this level of local government in country and urban places in the provinces.

[Mr. Matheson.]

Referring to the winter, 1961, edition of *Queen's Quarterly,* and an article called "Urban Communities" written by Stewart Fyfe, the author talks about the expansion of the urban community, which is of course the principal reason why there has been this great increase of debt on our local governments.

Inevitably we see new demands on municipal government to provide new services and to raise the standards of existing services. We see the growth of our communities, a growth beyond the boundaries that existed five or ten years ago. In the United States the complexity and scale of the problems of urban growth have brought suggestions that the federal government establish a department of urban affairs. While suggestions have been made in Canada that the federal government should devote more attention to urban problems, there has been no suggestion of such a department being established. That is why we look to this genial and dedicated minister to solve these problems. He has told us of his efforts and interests and we have evidence of this. We know that this is the department and the place where we must properly raise these demands before the country.

We have to take a new look at urban development. We know that if real action is to be taken to improve this unemployment situation, it has to be done with the assistance of Ottawa; it is not enough simply to pass it on to the provinces.

A few days ago I was speaking to a man who had considerable experience of unemployment in the 1930's. He was discussing unemployment in the 1930's and comparing it with the situation today. He said that one of the great cushioning effects that we have in the 1960's to a serious unemployment situation—which has become aggravated, particularly in the last two years—is the fact that with our system of unemployment insurance people do not travel, and therefore we do not have them riding freight trains and hitchhiking across the country in one manner or another. We do not find, therefore, the long queues of men gathered for assistance and relief, because they are kept and contained in their own areas.

However, if we had something like 719,000 people last year, and 609,000 a few days ago looking for work—and we know that in our own areas this work problem is very serious—then surely this is the place and the department to whom we must look for assistance with respect to an expanded public works program.

I have found it difficult to believe that in an area as wealthy as the one I have the honour to represent,—from Cornwall to Kingston—we have pockets that are serious indeed with respect to the extent of unemployment. The unemployment situation in Cornwall is perhaps a special case, but it is frightening in its size. Prescott is very, very bad when we consider that the average unemployment last year was over 800 people in a town of that size. I would indicate to the committee, sir, that the unemployment figure reached 15.5 per cent of the population.

Gananoque is one of the most attractive little towns in the country, and yet we have had an increasing unemployment situation. It has increased regularly from 1959 to a degree that is alarming, but at the same time there are many things that need to be done in Gananoque and the local government knows what these things are.

We see even with this somewhat stagnant condition of our economy the "awesome appetite" as it has been described, of the towns and cities. The author J. Campbell Merrett takes a look at urban development in "Canadian Chartered Accountant", volume 78, 1961 and speaks of the wanton wastefulness of agricultural land, the deplorable destruction of rural amenties and the unnecessarily expensive servicing of municipal undertakings.

This problem must be dealt with, and there is no place where direction and guidance can be given better than from this particular department in a broad sharing of responsibility and effort. We look to this department for that quality of leadership.

I was reading on the microfilm a few moments ago an article in the *Financial Post* of September 13, 1961 entitled "Are we really trying to get rid of slums." S. L. Buckwold, who was president of the Canadian Federation of Mayors and Municipalities, argued a very strong case in 1960 before the Senate manpower committee and said that city planners and officials agree that N.H.A. is not nearly generous enough; that all major Canadian cities and many towns are suffering from a condition of "suburban sprawl" and "centre town blight". This problem could well be given more attention.

Our Minister of Public Works said at that time, as reported in the *Financial Post* of September 30, 1961:

> I do not think enough use is being made of the very generous provisions of the N.H.A.

I wonder whether the minister can now report a more favourable use of the provisions of the N.H.A. Are these provisions sufficiently generous, or is the judgment of Mr. Buckwold correct when he says they are not?

Mr. K. Grant Crawford, in a study on the aspects of provincial-municipal relations says this:

> —With increased financial assistance from the provinces came increased supervision and increased direction . . . They—

He was speaking of local municipalities:

> —have seen that ever increasing provincial contributions will mean loss of local control and at the same time have been forced by their financial plight to make persistent appeals to the province for more and more assistance.

I think there is a genuine concern on the part of some of our municipalities right now lest they become too dependant upon provincial governments. They want to grow; they want to develop. They have at their helm and in their local councils, I know, some of the best brains we have available in our communities. Sometimes it is easier to get a good man to serve on a municipal council than it is to have him run for provincial or federal office. We have many competent, able and dedicated people prepared to give hundreds of hours in the year to thinking out wise developments at the municipal level, but they need assistance.

Mr. Crawford says:

> To accomplish these purposes the municipalities must not be merely agencies of a higher level of government—

That, sir, is not what we are suggesting at this point.

To resume the quotation. The municipalities—

> —rather must have ultimate responsibility within their sphere of jurisdiction and must have a sphere of jurisdiction sufficiently broad to make them seem significant to the citizens and thus attract into public service competent men and women in both elective and appointive offices.

I must say that over the past number of years we have seen excellent local government in the areas I represent. I know that these people have given earnest thought to development and improvements. I hope they can be encouraged by the kind of assistance at the federal level which I have suggested.

Mr. John Pratt spoke about Canada's centenary in an article in *Maclean's* magazine recently. He said: Let's clean up our littered countryside. He was referring to what Canada might hope for, and he suggested that there was nothing better we could do than to clean up our towns and cities and beautify this country.

Mr. Jones: It is usual to refer to hon. members by their constituencies.

The Acting Chairman (Mr. McCleave): The hon. member for Saskatoon has drawn attention to the point that has bothered the chair this afternoon, that is, that hon. members

from both sides of the committee have been referring to other hon. members by name rather than by their constituencies.

Mr. Chevrier: On that point of order, the point which has been raised is a correct one; it is the practice of the house to do that, but it is also the practice that when an hon. member wishes to raise a point of order he does so by rising in his place and not sitting down as the hon. member for Saskatoon has just done. I think Your Honour should have taken notice of that.

Mr. Jones: On that point of order, which is absolutely spurious in view of the continual interruptions which are made, usually from the Liberal ranks, by hon. members always speaking from their seats, with the exception of this last intervention, may I say that the question raised had to do with whether or not members should call other hon. members by their names or refer to them by their constituencies. That is the point I raised, and I think it was a proper point.

Mr. Howard: Before you proceed to deal with this matter, Mr. Chairman, I think I heard the hon. member for Saskatoon use the word "scurrilous"—

Mr. Jones: I am afraid your hearing is not too good. It was "spurious".

Mr. Walker: Honi soit qui mal y pense.

Mr. Matheson: I thank the hon. member for Saskatoon for calling attention to the fact that the author of this article is a member of parliament. I was reading from *Maclean's* magazine. It was an excellent article and I was thinking of the author not as a member of this house but, rather, as an able journalist. The article says that we might well—

> —devote the next six years to cleaning up, putting our house in order, and establishing the necessary routines that will ensure that our country will ever after remain one of beauty and cleanliness.

To this, I subscribe.

One thing which can help toward the beautification of an area is the presence of suitable public works, and we look forward in the town of Brockville to the federal building, provision for which I find in these estimates. I thank the minister for the co-operation and the courtesy extended to the opposition member for Leeds by his department and by some of the kind and helpful members of his staff.

The importance of this building to our community is very great. Architects have been doing things in Canada which give us hope that there may be a revitalising of many of our cities. The federal building at Brockville is to be built on a location which might well be called a gray area of the town. It is something which could alter and change the character of our new city. It will bring with it a great deal of neighbourhood pride. Margaret Fullerton has written recently on "the new amenity" in the *Canadian Architect* of September of 1961. She speaks of the importance to a community of a building the size of the federal building which we are anticipating, as well as the importance of a park area. We are fortunate that through the recent beneficence of the Hon. Arthur C. Hardy we are to have a beautifully landscaped piece of open space on the river. We are expecting this proposed federal building at Brockville will alter the face of an older area of the city. Perhaps, seeing that a general election may not be so imminent as was once thought, there may be an opportunity in the spring or summer months for the minister to forget politics and come on down to the most beautiful waterfront in Canada, and travel with me by boat from Gananoque to Brockville and look at the parts of our community that lie along the shoreline and form a picture of all the tremendous things which could be done there.

Mr. Regier: You have not been in Burnaby.

Mr. Matheson: Perhaps the hon. member for Burnaby-Coquitlam would join us. We would certainly like to see him there, too.

Mr. Regier: I do not intend to be very long Mr. Chairman. However, I am a little disturbed to note that the total proposed expenditure outlined to us in the estimates of the Department of Public Works reveals a decline exceeding $4 million.

I should like to think that this government would use, as one of its instruments of stabilizing the Canadian economy, the Department of Public Works. We still have a regrettably high measure of unemployment in our country. Economic activity needs every stimulant we can possibly find at this time. I feel this is the wrong time for a government to reveal a decline in expenditures in the field of public works. I believe that this department is one of the most important instruments the government has at its disposal to regulate the economy. At a time of business expansion I believe a decrease in expenditure on the part of the Department of Public Works might well be warranted. However, at a time when our economy is either declining or stagnating, I believe that an increase in the expenditures of this department would serve a very useful purpose. In the light of the willingness of the government to incur huge budgetary deficits I cannot understand why the estimates now before us should indicate an expenditure less

than the expenditure of a year ago. I believe, as I said before, that a decrease in the proposed expenditures of the department as a whole is not, in existing circumstances, in line with the best interests of our nation. I noticed the very limited proposals in regard to public buildings. I recommend to the minister that a careful examination be made of the rentals being paid by the federal government for buildings owned by private individuals or corporations. I do not recommend that these necessarily be replaced by new buildings but I do know of a few instances where the interests of the government and the taxpayers would be well served if the existing premises were purchased upon expiration of the leases that now obtain. The government is paying fantastic rentals in ever so many cases and the interests of the taxpayers are not well served. The possibilities of purchasing existing premises or erecting new buildings ought to be explored. I believe the problem I now raise warrants the appointment of a special investigator, if necessary, to carefully review each and every instance where the Canadian government pays rent.

Mr. Walker: May I ask the hon. member a question? Could he give us some instances of exorbitant rents? Otherwise I would respectfully suggest he should withdraw.

Mr. Regier: No. With deference to the minister I have the right to express my opinion in the committee without the minister asking me to withdraw what I have stated as my belief.

Mr. Walker: I ask the hon. member to state facts.

Mr. Regier: I will give the minister the facts.

Mr. Walker: Go ahead.

Mr. Regier: Let the minister investigate the rental the taxpayers pay for the post office at Port Moody. It is one of the highest rentals paid on a square footage basis by any business in the country.

Mr. Walker: How much is it a foot?

Mr. Regier: I will not bother the minister with the details.

Some hon. Members: Oh, oh.

Mr. Regier: The minister has resources at his command by which means he can obtain the information.

Mr. Walker: More socialistic bluff.

Mr. Regier: I happen to know the rental. I happen to know all the details.

Mr. Walker: Let us have them. Put them on the record.

Mr. Regier: The minister is not doing the taxpayers a service when he asks me to involve the committee in a controversy because hon. members of the committee do not know the local situation and would not be competent to determine whether the rental is economic or uneconomic. This government ought to buy that post office or as an alternative build one. The owner of the post office—

Mr. Walker: Is a friend of yours?

Mr. Regier: —is willing to sell but is also happy to continue to accept the extraordinarily high rental to which this government is committed.

Mr. Walker: Words, words, words.

Mr. Regier: It is a reflection on the efficiency of the federal government. However, this government is not initially to blame because the agreement was arrived at by the previous administration. This government inherited the situation.

Mr. Walker: It is not our fault then.

Mr. Regier: I have repeatedly called the attention of the government to this particular situation. I will not give another example because I have other things to say. The minister asked for a specific example and I have given him one. I know the minister has good intentions and is patriotic, and will investigate this situation. I will be proved right or wrong.

In dealing with harbours and rivers I have difficulty distinguishing between the responsibilities of the Minister of Public Works and his colleague the Minister of Transport. I may be completely out of line in saying this. I notice there is a division in the minister's department called the harbours and rivers engineering services. I am happy to note that within recent months the Minister of Transport and the Secretary of State for External Affairs—I hope the minister can spare a moment to listen to the complimentary remarks I wish to make—have lent a sympathetic ear to the proposal that an engineering survey be conducted to determine the feasibility of a canal being built along the ancient river bed of the Fraser to connect the Pitt river to Burrard inlet. I know that representations have been made to the minister in this regard by a number of his colleagues one of whom has given great assurances to the citizens back home.

I do not wish to publicly endorse the canal project which lately has been labelled the Kilmer canal. Miss Jane Kilmer was my opponent representing the Conservative party in a recent federal election. I admire her integrity and the useful service she has rendered the people of my constituency for

many years. I wish her continued success in her efforts on behalf of the community as a whole. I know that many years ago a close relative of hers first proposed the canal. We have had assurances that the federal government is prepared to undertake an engineering survey in line with the recommendation of the Fraser river board in 1945 indicating such a survey might well be warranted.

I speak for people of all shades of political opinion when I say I hope this request that has been made by so many organizations in the constituency will be taken seriously. This is not a political football. If the canal is proved feasible it will be of tremendous benefit to the province of British Columbia and particularly the lower mainland.

I hope the minister after adequate consultation with the Secretary of State for External Affairs, who knows every road if indeed not every little alley in the area, will ensure that the feasibility of this project will be explored and that we will have a feasibility study and a detailed and scientific report. I am not advocating that a specific sum be spent on the canal. I am not prepared to endorse this project but I do feel that the potentialities are so great that the minister should heed the advice of the Secretary of State for External Affairs and make sure that a full engineering report will be available very shortly.

In the matter of housing I noted with interest yesterday the remarks of the hon. member for Hamilton South when he spoke on these estimates. He referred to activities under the National Housing Act with regard to limited dividend housing. We regret that in British Columbia there has been practically no action. As a matter of fact, I believe I can safely say that within the last three or four years there has been no action whatsoever under this particular section of the National Housing Act.

The basic reason is obvious. The permissible returns to the investor are below the earnings that can be obtained by the purchase of government bonds. I happen to be involved in housing in our province and I have had a number of regrettable experiences where a lot of housing might have been constructed if we could have interested individuals and corporations in the limited dividend housing section of the act. The limits that now prevail under the terms of the act are such as not to encourage investors to take any interest in this aspect.

I should like the government to reconsider this matter carefully. I do not like high interest rates and in principle am opposed to them. However, when the government offers bonds that yield a higher return than an investment under the National Housing Act which involves a certain degree of risk and returns a maximum yield lower than that provided by bonds, I believe that the government might be warranted in reconsidering the existing legislation.

There is another matter I wish to raise. I notice there is an additional vote with respect to water supply for Churchill, Manitoba. When we are spending the taxpayers' money on this project I hope that the installation of the new services will be of benefit to the citizens of Churchill generally and not merely to those in the military camps in that area.

So far as the national capital commission is concerned, I ought to be the last person in the world to advocate that citizens be limited in their right to self-determination. I am not now speaking for my party but only for myself. I am afraid my own personal conviction is that, in the light of the heavy contribution made by the taxpayers of all of Canada and considering that the city of Ottawa belongs to all Canadians, the local civic administration has shown itself repeatedly as being so thoroughly incompetent that the government would be entitled to take a very close look at the situation to see whether or not, in the interests of national pride and in the interests of protecting the investment in their national capital being made by the taxpayers of Canada as a whole, it might be advisable for the government of Canada to establish a department or commission to operate the civic affairs of the city of Ottawa. I have been in many cities of Canada and I have yet to see a more disgraceful civic administration.

Mr. Bell (Carleton): That is utter rot.

Mr. Regier: Look at the snow situation and the potholes. There is a lack of civic responsibility. You only have to read the press to become aware of the goings on at the local city hall. It is a disgrace to Canada. While I say again that I ought to be the last one to advocate such action—

Mr. Bell (Carleton): You certainly should be.

Mr. Regier: —and while not advocating at this time that the government of Canada move in on behalf of the people of Canada, I do say that the local situation can stand real consideration because obviously those who administer the affairs of Ottawa are more interested in their local petty parish pump politics than they are in developing a capital city of which all Canadians can be proud.

Mr. Walker: May I call it five o'clock, Mr. Chairman?

Mr. Bell (Carleton): Mr. Chairman, it is only because it is five o'clock that I do not reply to the outrageous attack by the hon. member on the city of Ottawa.

The Deputy Chairman: Order. So that the house may proceed to the consideration of private members' business, pursuant to section 3 of standing order 15 it is my duty to rise, report progress and request leave to sit again later this day or at the next sitting of the house as the case may be.

Item stands.

Progress reported.

The Acting Speaker (Mr. Chown): It being five o'clock the house will proceed to the consideration of private members' business as listed on today's order paper, namely public bills and private bills.

REPRESENTATION ACT

AMENDMENT TO INCREASE ELECTORAL DISTRICTS IN NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon) moved the third reading of Bill No. C-14, to amend the Representation Act (Title changed from "An Act to amend the Representation Act and the Canada Elections Act").

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to comment briefly and leave a thought with the government with respect to this bill in the light of the discussion we had yesterday. There was some thought expressed yesterday that perhaps the powers of the chief electoral officer were sufficiently broad to allow him to make the necessary appointment of additional election clerks and other officers without the necessity of making a specific amendment to the Canada Elections Act. I find that the only such power of this sort is contained in section 5, subsection 2 of the Canada Elections Act, where specific and extraordinary powers are given to the chief electoral officer. I would point out that he can only exercise those particular powers to appoint additional people after the election has been called. I think that the vast area covered in the electoral district mentioned in the bill before us, would make it clearly impossible to conduct an election with any degree of efficiency and provide for these people, if the necessary steps could only be taken during this period between the calling of the election and election day.

There is one other point I should like to leave with the government. The proposed clause 4 in the bill which preceded this one, and which sought to amend the Canada Elections Act, made reference to the delegation of authority. At the present time there is no such authority in the Canada Elections Act. I pass these thoughts along and perhaps we could get an indication from the Minister of National Revenue (Mr. Nowlan) as to whether or not the government has looked further into this matter, and whether or not we could expect a resolution and bill introducing an amendment such as that which we had to delete yesterday.

Hon. George C. Nowlan (Minister of National Revenue): The matters of law to which the hon. member has referred are within the knowledge of the government. We are consulting the law officers of the crown with respect to them, but we have not yet received a formal opinion. I would not be surprised if a layman's opinion woud be just as correct as a written, legal opinion would be. If the opinion is as suggested, then the government will have to give careful consideration to the action it will take if this bill is to be implemented. It appears to me to be the desire of all hon. members in this house that the bill shall be implemented.

Mr. Howard: Will the minister permit a question before he resumes his seat? Can he indicate whether or not discussions have also taken place with the chief electoral officer, because I think he would have intimate knowledge of his responsibilities and the possibility of implementing the bill before us.

Mr. Nowlan: There have been no discussions, so far as I know, with the chief electoral officer, although I think possibly Mr. Speaker may have been in touch with him with respect to the ruling he gave yesterday. He is, therefore, fully conversant with the circumstances.

The Acting Speaker (Mr. Chown): Is it the pleasure of the house to adopt the motion?

Motion agreed to.

Mr. Nielsen: May I just impose upon the good nature of the house for a moment to express the gratitude of all northern residents in these two districts for the fine cooperation of all members of the house in seeing that the franchise, which for many years was denied, has been finally granted to these northern Canadians.

Bill read the third time and passed.

CANADA ELECTIONS ACT

AMENDMENT TO REDUCE AGE OF VOTERS

Mr. Frank Howard (Skeena) moved the second reading of Bill No. C-16, to amend the Canadian Elections Act (Age of voters).

He said: Mr. Speaker, the house has been so agreeable on three separate occasions now to extending the franchise to a group of people who live in the northern part of the

country, that I am quite sure it will be equally agreeable in giving passage to this bill in order that another group of people in the country may have the franchise extended to them. I am talking of that group of people who are between the ages of 18 and 21. The bill before us has the one principle of extending the right to vote in federal elections to citizens in the country who are 18 years of age and over.

This matter was raised by me—I do not say this was the first time it was raised—during the time the standing committee on privilege and elections was considering amendments and revisions to the Canada Elections Act in 1960. It was in that committee in May 19, 1960, that the proposal I made then, the same one as I am making now, was considered and defeated by a vote of 8 to 2. Subsequent to that, in the same session of 1960, when the bill was reported from the committee, we moved a procedural motion on third reading with the clear intent of providing the right to vote to people of 18 years of age. This amendment did not receive the support of the majority of the members of the house. The Liberals voted with us on that occasion, even though they had voted against us in the committee.

The members on the government side supported the contention advanced by the Prime Minister (Mr. Diefenbaker) that it was not the appropriate time to extend the franchise to people of 18 years. At that time the Prime Minister made an interesting comment or two which I should like to quote. I find this on page 6279 of *Hansard* for July 14, 1960:

> I think it is one of those things that might very well be studied in detail by a committee at a subsequent session of parliament,—

He also said:

> In a subsequent session I will join with hon. members in giving the membership of the house an adequate opportunity to fully explore all the considerations relative to this question;

Now, I quoted those words, Mr. Speaker, in moving the second reading of a bill identical to this which was dealt with at the last session and debate upon which was entered on February 14, 1961. There were five other members representing the other two parties in the house, in addition to myself, who spoke on the bill. None of them objected to extending a franchise to people of the age of 18, although there was some slight disagreement expressed and some reluctance indicated about whether or not 1961 was the appropriate time to proceed with this measure. I do not intend, because I do not believe it really helps, to go into these specific objections which were raised. I feel they are relatively minor compared with the basic principle of the extension of the right to vote to people who are 18 years of age.

Some of the provinces, Mr. Speaker, have a voting age which is less than 21, notably my own province of British Columbia, which some time in 1954, I believe, extended the franchise to those 19 years of age. The adjacent province of Alberta also has a voting age of 19, while Saskatchewan has a voting age of 18. The bill which is before us now seeks to establish a voting age of 18. I suppose as between 18 or 19 one could make an equally effective argument, depending on which age one chose. I am not adamant that it must be 18 years of age, but the basic principle is that it should be lowered to take into account certain factors which exist at the moment and which have been developing in Canada, as in other countries, for some time.

In 1960 during the hearings of the committee on privileges and elections there was placed a tabulation on the record at pages 323 and 324, a tabulation prepared by the chief electoral officer from material contained in the *Statesman's Year Book* of 1959, indicating the number of countries which have voting ages which are less than 21 years. It also indicates that there are some countries which require that persons be older than 21 years of age before obtaining the right to vote. The tabulation extends from 18 years of age, as is the case in the province of Saskatchewan and the states of Georgia, Kentucky and Alaska, to 25 years of age as required in the Netherlands. However the majority of countries place the age at 21 years.

I do not intend to make specific reference to each country listed in the tabular form. That information is readily available and I am sure the *Statesman's Year Book* for the years subsequent to 1959 would bring that information up to date.

These are some of the reasons why I think we should extend the franchise to those aged 18 years. First, over the last few years—and this has been greatly intensified since the start of world war II—there has been a great change in the form of communications both within a country and between countries. This has been due to the advent of television and radio, and with the placement in other countries of representatives of news service agencies we find that normally on the day which various political events occur in other countries we know about them here. They come to our attention as adults, and persons who are 18 years of age also know about them.

Then too, during the last few years—and I hope this will continue—there have been more opportunities for people to acquire a higher education. There have been more opportunities to proceed further in school and in formal education than was the case 20 or 30 years ago. Also there is the other factor of

the attraction to individuals to leave school in order to work in industry at fairly decent wages. There is the attraction for them to marry at a younger age and I believe all these factors tend to make our 18 year old people more mature and give them a better understanding of political and sociological matters than was the case a number of years ago.

Sometimes one hears the argument that a person aged 18 years is not mature enough to make a reasonable or mature decision with respect to voting and might be misled by a variety of factors, and thus not be able to make a mature judgment in so far as the party he or she should support is concerned. However, we sometimes find that age and maturity are not necessarily connected. I am sure most of us have run into individuals who are 25, 30, 35 or 40 years of age who have cast doubts on the maturity of individuals in those age groups. It is true, however, that if we talk about young people aged 9, 10 or 11 years then there is some validity to the argument about their ability to express a mature judgment on matters such as this.

That is why I said earlier that I am not particularly tied to the age of 18 but selected it arbitrarily, the same as the age of 21 was selected arbitrarily and is now a sort of arbitrary determination. The impact of greater educational opportunities, the participation by younger people in our economic life, their participation in the married state and in a variety of other things all bring them a better understanding of political and socio-economic matters. Therefore I believe they have a sufficiently sound ability to judge and vote. It would be a correct thing to recognize these factors and to recognize that here is a group of people which, to all intents and purposes in a general way is contributing to a large extent to our economy, to our tax structure, is concerned with activities in the House of Commons and participates in political matters to the extent that it is able to do so. The way to recognize the group is to extend it the right to vote in federal elections when its members reach the age of 18 years.

I believe this bill, if it receives second reading, should be referred to the committee on privileges and elections, as was indicated by the Prime Minister. Of a former occasion he indicated that and said he would support such a motion at a subsequent session. Apparently the last session was not the subsequent session to which he referred. Perhaps this is the one he means, and I would be glad to have it referred to the committee in order that an opportunity might be afforded to people who are interested in this matter to appear before the committee and express their views so that the committee can evaluate the question itself, can assess the body of public opinion that exists either in favour of or against it, and report the bill back to this house after it has been given careful consideration.

As I said earlier, the house was so agreeable to the bill which preceded this one, extending the franchise to people who heretofore had been denied the right to vote, that I would point out this bill does substantially the same thing except that it is not a geographic extension. It is an age extension and I hope the house will be agreeable to giving the measure its support.

(Translation):

Mr. Alexis Caron (Hull): Mr. Speaker, when we were examining the Canada Elections Act, I supported the resolution introduced by the hon. member for Skeena (Mr. Howard) who, at the time, recommended that the voting age be reduced from 21 to 18.

I could add that the platform of the Liberal party provides for such a reduction in the age of voters.

However, I disagree slightly with the member for Skeena who said a while ago that the age of 21 had been chosen arbitrarily. That is incorrect. At the time, that age was adopted because 21 is the age when a person becomes legally of age and can act on his own and for himself.

The reason we are now recommending that the voting age be reduced to 18 is that young men of that age are liable to be enrolled for the defence of their country.

They risk their lives and yet they have no choice about it. They do not even have a word to say about decisions which could cause them to die prematurely.

Consequently, since they can be enrolled at the age of 18 for the defence of their country, they should have the right to decide on their own what they should do.

Some will say that the voting age for our force members is 18. That is true. Members of the active forces are allowed to vote at 18.

It is precisely because they can be enrolled and because, at present, only their elders can take definite decisions in that connection, that I feel they should have the right to vote. Since they can be the victims of such decisions, they should at least have a part in them.

This does not mean that everything will change.

Some may feel that young people are not mature enough to decide how to vote. I recall what the hon. member for Bonavista-Twillingate (Mr. Pickersgill) used to say when the matter was brought up: "At the age of 18, being from a Conservative family, I was a Conservative; upon reaching 21, the age of reason, I became a Liberal".

But that is one case. I know that the majority of young people, today, have had much more schooling than those of 21 and over had 10, 15 or 25 years ago. Today's youth is better informed because of television and newspapers, which fill modern homes. Nowadays, the young people are much better prepared to play their part in the community at 18 than people of my generation were at that age.

Well, for all those reasons, we can support the resolution introduced by the hon. member for Skeena. I think the Liberals will be happy to support this bill and specially to send it to the committee on privileges and elections, so that those who have representations to make can put them before the committee and thus better inform the house.

(Text):

Mr. W. C. Henderson (Cariboo): Mr. Speaker, I spoke on this bill a year ago and I was in favour of reducing the age limit for voting to 18. I believe that when I was 18 years old I was just as good a man as I am now, and I was a good Conservative.

In our country, where they work big machinery, a boy does not wait until he is 21 to run a tractor, a combine, a big disker or anything like that; he is up on them when he is 16 or 17, and when he is 18 he is a mature man. Many a time I have been by fields and seen a boy of 18 driving a big combine. They are raised for that.

We are living in a different world altogether to the world in which we were living when I was a kid. My father probably would not let me go in the barn when I was 18; he was afraid that I was just a big kid and I would get hurt. But now I can go anywhere. In the army I met numerous boys 18 years old and younger, and they certainly should have had the vote. They were just as good when action started as the fellow who was 21, and a lot better than the fellow who was 35 or 40, whose nerves had been hurt by his wife or something like that.

As I say, I am in favour of this age limit being reduced to 18. If young people are not smart then, they never will be smart. We get all kinds. We get many who should not have the vote—we know that—but we cannot make a distinction here or there.

I am going to end my little talk by saying I am in favour of people voting at the age of 18. I think they will do as well, and if a war comes along—and the clouds are loaded with that—a young man of 18 will be one of the first to be called up and he will have to say his piece.

Mr. Nicholas Mandziuk (Marquette): Mr. Speaker, I have given a great deal of thought and consideration to the bill introduced by the hon. member for Skeena (Mr. Howard) and I am inclined to support it. I am going to spell out the reasons why I support it. One cannot help thinking that age 21 is an archaic age limit that was set in times gone by when it was thought that at 21 a person was of mature age and could make decisions. In our law of contract right now a person under 21 years of age can enter into a contract, which he or she can repudiate upon reaching maturity. They are considered minors in the eyes of the law until they are 21 years of age. Unless they are 21 they cannot enter into a contract of sale without there being the risk of their repudiating it upon reaching maturity. However, I believe that the right to vote cannot be put in the same category as the right to enter into a contract.

The age at which the right to vote is given varies in different countries. As the hon. member for Skeena has mentioned, in Holland it is 25 years of age. Apparently the Dutch feel that a person is not mature enough to make political decisions until he is 25 years old. In Denmark it is 23 years of age, in Turkey 22, and in Costa Rica 20, but it is 18 if the person is married or is a school teacher. Apparently in the eyes of those people marriage gives a person a certain maturity.

In many other phases of our life 18 is considered a mature age, and in this connection we cannot help but think of our marriage laws. In most of the provinces—I believe in all the provinces; I know it is the case in Manitoba—a female who is 18 years of age can marry without the consent of her parents. Marriage, apart from the fact that it is given a certain sanctity by the church, is a contract; a young man or woman enters into a contract to love, honour and obey and take the other partner for better or for worse, often for worse. Many marriages of young people have proven very successful; many have been more successful than the marriages of those of a more mature age. The marriage contract is a contract of which society approves. These young people take

on the parental obligations of raising a family and they are considered mature enough to do this. A young man and a young woman are mature enough to renounce their freedom by joining with each other in a partnership and living together.

There is another profession where a person is considered mature at 18. I have in mind the teaching profession. We do not hesitate to engage a teacher, male or female, when he or she has reached the age of 18. We do not hesitate to entrust our children to their care. We trust them not only to educate our children but also to mould their characters. Our departments of education do not hesitate to grant them certificates whereby they are qualified to teach in our schools. The responsibility of a teacher is a great responsibility. If we adhered to the old, archaic idea that no one is mature before the age of 21, we would not trust these young men and women with the care of our children. But there are thousands of these young people teaching in our schools today and doing a mighty wonderful job at that, raising Canadians to become good and loyal citizens. Proper guidance from them supplements the education which the children receive from their parents.

I think of something else. Our young men and women graduate from universities at a considerably younger age nowadays than they did in my time. My daughter graduated when she was 19 and thousands of men and women graduate from universities at that age with honours and degrees. Could they be considered as people whose judgment is so immature that they cannot make up their minds what party to choose or what party to vote for? Are they not mature enough at that age to use correct judgment as to the various platforms or policies submitted by the political parties in this dominion of ours?

One is led to think that we are depriving these people of a right to express themselves by saying that regardless of intelligence and regardless of mental maturity the only yard stick shall be the age of 21. One of the speakers who preceded me mentioned military service. I am in complete agreement with what he said. If a young man is old enough to accept command or to give commands, to understand discipline or to understand the cause for which he fights in the defence of this country he is, I believe, mature enough to be granted a vote. I realize that as the law stands those who are serving in the armed forces have the vote. But in time of crisis 18 is the age at which we draft young men into the army. Eighteen is the age at which we accept them as volunteers. The age of 18 is however, according to our present law, the age at which a young man or woman cannot use good judgment in deciding on the issues of the day.

It is interesting to note that a number of South American countries have a lower voting age. That is not popular in Europe. As I have already said, some European countries such as Holland, hold on to the age of 25 as being the age at which a person can vote. But Bolivia, Venezuela and Mexico all permit people to vote at the age of 18.

Speakers who preceded me have mentioned the fact that there are three provinces in Canada which have lowered the voting age from 21. But taking it all in all there is another argument which I would advance in support of my contention. The young Progressive Conservatives and, I believe, the young Liberal associations have on many occasions considered resolutions to request their parties to lower the voting age. In the limited time I have had at my disposal I have not been able to find any record of resolutions in the past, but I know this is in the minds of these young people, and I think it is nothing but fair.

I know there are others who wish to express their opinions on the subject and therefore I am cutting my remarks short.

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): In the idea of an earlier voting age I can find little flaw. The argument against it seems to follow two lines, first, that 18 year olds are erratic and in secret communion with far leftists or worse, and that though they are able to use logarithms, count down space missiles, have babies, make pills and fly jets they do not have the acumen, the perspective or the judgment to make a choice among political candidates—that is, unless they have already volunteered to be shot at, whereupon we give them the vote.

We allow these young people to go to jail in Canada but not to the polling booths. They cannot, it is said, make legal contracts but has anyone heard of the Department of National Revenue turning away an income tax return because it is signed by an 18 year old? In one democratic domain where the fires of freedom seem to us to burn as fiercely and gleam as brightly as they ever did, men heaved tea chests into the sea six long generations ago precisely in defence of this principle. "No taxation without representation", they said, and away went the tea chests.

It is said that Canada's 526,000 young men between the ages of 18 and 21 and her 511,000 young women between the ages of 18 and 21 are radical. Good. Anyone who means to make anything of life ought to be radical at some time. What finer, gayer, more wonderful time

is there to be radical than when you are young? I believe that 99.9 per cent of the world's advancement has been brought about by people who would not conform because they could not conform.

What is a radical? Most people some of the time and some people all of the time define a radical as a man or woman who does not agree with them. Suppose we use softening words, that instead of radicalism we speak of youth's erraticism, instability, wobbling, immaturity? Who can say that immaturity automatically ceases and maturity begins on one's twenty first birthday?

In between the nuclear tests what are the marks of 1962's adolescents? No trimming and no trembling; devoid of timidity and baseness; tremendous when they are right and even more tremendous when they are wrong, as they occasionally are, not yet having reached the safety first or guaranteed existence; still free from fear and gain—those old perverters of mankind.

In the United States it is said that every young American is born a Democrat and stays that way until he acquires a mortgage, whereupon he becomes a Republican. Nothing gives a sense of responsibility like being made responsible. Eighteen year olds marry, have babies, pay taxes, go into the army, share in the costs of government, share in the duties of the state, but do not share in the rights so long as they are denied the vote.

Mr. Speaker, the prosecution rests.

Mr. Frank McGee (York-Scarborough): Mr. Speaker, it has been my privilege to participate in previous debates on this and similar bills both in the house and in the privileges and elections committee when this question came under scrutiny at the time when that committee reviewed, and in my opinion greatly improved, the Canada Elections Act a few years ago. I am not going to take up much of the time of the house today because there are several other hon. members who wish to record their views and who have been deprived of an opportunity in the past.

It seems to me that the usefulness and value of the discussions during the private members hour has been illustrated in an important way. Following my remarks and submissions in previous debates, my contributions being far less eloquent than those of the hon. gentleman who has just taken his seat although generally along the same lines advanced by the hon. member in his arguments today, I received a number of phone calls and letters and had a number of discussions.

Having supported the principle of this bill, as I said, I was confronted by an argument which I found very difficult to refute. If this bill does go to the committee I hope the single point I am about to raise will come under careful scrutiny. I also hope that hon. gentlemen who follow me in this debate will address themselves to this question.

I have reference to the incidence of automobile accidents and the risk attached to the driver of a car under age 21, and the reflection of that risk among that age group not only in the accident rate but in the insurance rates that are charged. While this does not support the proposition it is a factor in the argument which has to be confronted and answered.

I have not had sufficient time to pursue this matter as I would like to, but I am given to understand that the number of accidents and the corresponding insurance rate is much higher at the age which the hon. gentleman who is sponsoring this bill proposes to establish as the voting age.

I am reluctant to go beyond that. I will only repeat that this argument has been raised and I have not really been able to effectively refute it. I feel that consideration should be given to it in any future action taken along these lines.

Mr. M. J. A. Lambert (Edmonton West): Mr. Speaker, in rising to speak on the bill this afternoon I realize, as one who is over age 21, that we who are addressing ourselves to this question do not wish to give the impression that we are speaking of the "haves" as opposed to the "have nots". I must say that when I was considerably younger I would have viewed this bill with a great deal more enthusiasm than I do today.

In the last 25 years or so we have seen agitation for this change in the voting age. Some of the provinces—and only the provinces—have acceded to the request to make changes allowing people under age 21 to vote. It might be instructive to inquire into the motives of those provincial administrations that have made this change. I think we should get to the bottom of this. One of the points we must consider in determining whether a person should have a right to vote is that this is a right, a privilege. I think all hon. members will agree that a right implies a responsibility. There is no such thing as a right without a corresponding duty or responsibility. If there is a right to vote there must be the responsibility of the exercise of that right.

In certain parts of Canada in certain types of elections there is a notorious degree of disinterest on the part of the electorate. The voting age in the province of Alberta has been lowered to 19. It would be most illuminating to know just what proportion of the age group between 19 and 20 exercised in the provincial elections the right that was

given them as a great boon and bounty. I would put it to hon. members of this house, that from my observation they were somewhat less active in exercising their right than were those of a more mature age. We also know that in municipalities voting is still limited to those 21 and over. I stand to be corrected if necessary in what I am about to say. I do not know whether a property owner under the age of 21 would have the right to vote as a burgess, but I would be of the opinion that the overriding qualification of the age of 21 would apply.

The hon. member for Skeena (Mr. Howard) made one point with which I agree fully, that age does not equal maturity. Certainly we will agree with that because we know there are some people who at the age of 16 are quite as mature in their approach to affairs of a public nature as their neighbours who may be double that age. There is an old adage that there is no fool quite like an old fool. Yet one must arrive at a dividing line somewhere. What is it going to be? Is it to be the yardstick of age?

I will be the first to admit that this yardstick may not be the most perfect, but before we seek to make a change I suggest that we must find a better yardstick and at the same time one that must be practical. It might be suggested that an intelligence test might be a better yardstick for voting qualification or possibly a test as to awareness of public affairs. But just how would you administer such a test so as to qualify people?

I thought the hon. member for Hull (Mr. Caron) developed an argument which I cannot let pass. He stated that because young men and women may be inducted into the armed services at the age of 18 they should have the right to decide whether they should be brought into the armed services. We know that once they have entered military service they are entitled to vote, but I submit that this is a concession to or derogation from the yardstick of age that we have adopted in view of the fact of military service. It is not a concession to the reasoning that the median age should be 21.

To get back to the argument of the hon. member for Hull, I think we could say quite easily that as parents we make very serious decisions which affect our teenage children. Sometimes they object; but is it ever suggested by anyone of serious mind that such decisions within the family should be based on a majority vote, including the vote of teenagers? I think we would have a rather difficult time. I know some of them might like it but we do not accept it as a normal course of conduct.

I think we have to come back to the overriding principle that within practical limits we are trying to determine what shall be the median age. As I indicated before, this may not be the most perfect way, but I submit to hon. members that in advocating a change it must be a change for the better, and I wonder whether one can say that a change in the voting age would bring a greater awareness of public affairs and that as a result we would get better administration. I seriously question that.

There was something said about young people today being much more aware of public affairs than young people were a generation ago. I submit that is entirely a matter of opinion. I have attended many functions in some of our schools. I have heard young people talk on matters of everyday life and I do not think this generation is any better in that regard than its predecessor or those who went before. They are still interested in those things which, frankly, do not come within the scope of public affairs on which they would vote.

Finally, Mr. Speaker, I adopt the attitude that we must have a yardstick. In the light of experience the yardstick of 21 years of age has proved to be reasonably good. It certainly ties with the legal concept of majority, and unless one can find cogent reasons that will give us definite advantages I do not believe we should change the voting age. I am sorry, but at the moment I do not think I can support the bill.

Hon. J. M. Macdonnell (Greenwood): Mr. Speaker, no one is more conscious of the fact than I am that in speaking against the bill I am laying myself open to the certain criticism that, as an old man, I want to maintain the status quo. Those of advanced years are always open to that accusation and I face it in advance.

I should like to use the words that were used by the hon. member who just took his seat because he expressed what is in my mind. The mover of the bill referred to the age of 21 as arbitrary. I was on the point of asking him if he thought that was an entirely fair statement having regard to the fact that it is presumably in line with the age of 21 being the age of legal liability and to that extent it is not wholly arbitrary. It is a basis and, as the hon. member for Edmonton West (Mr. Lambert) said, there should be cogent reasons for changing it. As it has been accepted for years and we have got used to this state of affairs, I think it is reasonable that we should ask that there should be cogent reasons for making a change.

The only member who seemed to me to come anywhere near giving cogent reasons was the hon. member for Halifax (Mr. Morris). He had a very tidy, neat and well worked out

argument that dovetailed quite well but I rather thought that in his final words his argument had an American flavour. The thing that is difficult to face is the fact that we do take men in the army at 18 but to some extent at any rate their case is covered by legislation. While there is no one who has better reason to know what those between the ages of 18 and 21 can do in wartime, nevertheless it seems to me that the tests which should apply are quite different. Gallant fellows from 18 to 21 do things that nobody else could do and do them partly because they do not bother with questions of judgment. They do not look before and after. They have a headlong attitude toward life which has been very valuable to this country but which would perhaps not contribute to the exercise of balanced judgment.

The Acting Speaker (Mr. Chown): Order. I see it is six o'clock.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the business will be for Monday and Tuesday, if the acting house leader can so indicate?

Mr. Nowlan: Mr. Speaker, I would be glad to indicate to the house that on Monday and Tuesday it is proposed to deal with legislation. Looking at today's order paper, the first matter with which we will deal will be No. 3, that is an act to amend the Small Businesses Loans Act. Then, having concluded that, we will proceed with No. 4 on today's order paper, and then having concluded that we will proceed with No. 5 on today's order paper. Having concluded that we will proceed with No. 9 on today's order paper. I am speaking now, Mr. Speaker, in anticipation of dealing with these matters both on Monday and Tuesday because of the proposal to deal with legislation on both days. These matters will be dealt with, so far as I know now, subject to any unexpected change in the order in which I have called them.

Then, if time permits, we may deal with No. 10 on today's order paper, a resolution standing in the name of the Minister of Veterans Affairs. We also may deal or will deal with No. 1 on today's order paper, the house in committee of the whole on Bill No. C-67, in the name of the Minister of Transport. I do not want to state definitely to the house that we will deal with the latter two in the order in which I have given them. Then, if the house concludes consideration of these matters we also may deal, without saying this will be the order after having dealt with the first four items, No. 2 on today's order paper, Bill No. C-38 in the name of the Minister of Justice.

Mr. Chevrier: May I ask if it is the intention to revert to either supplementary estimates or the main estimates on Wednesday?

Mr. Nowlan: I would not want to give a definite commitment to that effect at the moment, but I believe we will be dealing with estimates after Tuesday and go on with either supplementary or main estimates or both during the rest of the week.

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

HOUSE OF COMMONS

Monday, March 5, 1962

The house met at 2.30 p.m.

PRIVILEGE

MR. PICKERSGILL—EDITORIAL CHANGE IN REPORT OF DEBATES

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I would like to say a word on a question of privilege. This is the first time I have been in the house since the Minister of Veterans Affairs drew attention to some words of mine in *Hansard*. What seemed to offend the hon. gentleman was that quotation marks were put around those words. He seemed to be suggesting that I was responsible for putting the quotation marks there. I really do not know whether or not I did, sir—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —but one thing I do know is that if they are there, they should be there because that was a quotation, and the last thing I would wish to do would be to misappropriate those unforgettable words of the Prime Minister.

Mr. Diefenbaker: Misinterpreted words.

Some hon. Members: Oh, oh.

Mr. Pickersgill: There was no interpretation at all; there were just the words.

Mr. Diefenbaker: No one will suffer.

Mr. Pickersgill: No one will suffer except the Prime Minister.

EXTERNAL AFFAIRS

TABLING OF SUMMARY REPORTS OF CANADA-U.S. INTERPARLIAMENTARY GROUP

Mr. Speaker: By leave of the house may I lay on the table in English and in French the agreed summary reports of the two committees which were approved at the final special session on Friday of the sixth meeting of the Canada-United States interparliamentary group.

Some hon. Members: Agreed.

Mr. Speaker: Last year the report of the committee to parliament was tabled, and it was then agreed that the report be published as an appendix to *Hansard*. These are not the final reports but rather the press reports which came out of the meeting. If the house would like to have these documents printed—

Some hon. Members: Agreed.

Mr. Speaker: Agreed that these reports be printed as an appendix to *Hansard*.

[*Editor's note: For text of documents referred to above, see appendix.*]

VETERANS AFFAIRS

RECIPIENTS OF ALLOWANCES TO RETAIN ADJUSTED OLD AGE PENSIONS

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, last Tuesday I reviewed briefly the background of the relationship between war veterans allowances and payments of old age security pension. I explained that the War Veterans Allowance Act has always been based on a means test, and that for the purpose of this means test old age security pension has been considered as income ever since the Old Age Security Act was approved by parliament. As a matter of fact, Mr. Speaker, I have been given by the departmental officials a copy of the notice which went out in 1952, which shows that at that time the amounts paid under the Old Age Security Act were to be computed as part of the income of recipients of war veterans allowance.

Hon. Paul Martin (Essex East): On a point of order, Mr. Speaker, what the hon. gentleman is doing now is something distinct from an announcement of government policy. I agree that this would be the appropriate time at which to make such an announcement, but the minister is now trying to justify something which he might well have said in the course of debate on another occasion. He is simply telling us now what has happened in the past, and what he is saying is debatable, contrary to the privilege open to a minister of the crown under the present circumstance.

Mr. Churchill: This is an outrageous interference with a statement of government policy, and is typical of the Liberal party which denies freedom of speech to people in parliament.

Mr. Speaker: In an announcement of policy it is appropriate to make factual statements. It would not be appropriate to present a case on a controversial matter, because that would make it impossible for comment to be limited

in the same way and would give rise to debate. I trust the minister will proceed with his statement in recognition of that custom and not introduce arguments on controversial matters.

Mr. Churchill: I hope I shall have the privilege of continuing the statement of policy without interruption.

An hon. Member: What is the policy?

Mr. Churchill: In spite of this earlier practice, the government has given further consideration to this problem and has come to the conclusion that war veterans allowance recipients and their spouses who have reached the age of 70 years should receive an additional benefit from the latest adjustment in the old age security rate.

I am pleased to inform the house that following my recommendation the government has approved a policy of considering as exempt income, for the purposes of the War Veterans Allowance Act, $10 per month received by virtue of the Old Age Security Act by a recipient of war veterans allowances or his spouse, or $20 per month if both are in receipt of an old age security pension.

This amendment to the W.V.A. regulations will be effective February 1, 1962.

Hon. L. B. Pearson (Leader of the Opposition): It is gratifying to learn from the minister that the position taken by the opposition in this matter and the arguments advanced in support of that position have had some effect and that, therefore, the government of the day has decided to change its policy in this matter.

Mr. H. W. Herridge (Kootenay West): Members of this group are delighted with the effect they have had on government policy in this respect. This question was raised any number of times, on three occasions by the hon. member for Vancouver East and also, I say with all modesty, by the hon. member for Kootenay West. Now I want to ask a question.

Some hon. Members: No questions.

Mr. Herridge: Excuse me; we are a bit ahead of ourselves. We are delighted with this announcement, and will continue to work for veterans in this direction.

[*Later:*]

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I would like to ask the Minister of Veterans Affairs, in view of the announcement he made earlier regarding the regulations being changed concerning the veterans whether he could tell us whether the same consideration is being given to the people who come under the extensions of the Disabled Persons Act and the Blind Persons Act which were passed at the same time.

Hon. Gordon Churchill (Minister of Veterans Affairs): Those two acts do not come under my supervision.

Mr. Fisher: I wonder if the Acting Minister of National Health and Welfare could indicate whether the same consideration that was given to the veterans has been given to disabled persons and the blind.

Mr. Churchill: I shall take that question as notice.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*REMOVAL OF TOLLS, VICTORIA AND JACQUES CARTIER BRIDGES

Question No. 193—**Mr. Valade:**

Have requests for information, other than oral questions in the house, or representations concerning the removing of tolls on the Victoria and Jacques Cartier bridges, been received by the Minister of Transport; and, if so, from whom, and what was their nature?

Mr. Balcer: Mr. Speaker, the answer to this question consists of a long list of municipalities. Perhaps the house would agree that it be printed in *Hansard* without being read.

Mr. Speaker: The minister indicates that there is a long list. Would it be a page or more?

Mr. Balcer: It is a list consisting of approximately 20 names.

Mr. Speaker: Is it agreed that this list be printed as part of the answer?

Some hon. Members: Agreed.

[*Editor's note: The list referred to above is as follows:*]

Representations suggesting the removal of tolls on the Victoria and Jacques Cartier bridges have been received from the following: cite de Longueuil; town of Chambly; corporation du village de St. Hilaire, comte de Rouville corporation du village de rougemont, comte de Rouville; corporation du village de McMasterville, comte de Vercheres; Corporation de la paroisse de St. Michel de Rougemont; ville de St. Hubert, comte de Chambly; town of Brossard, comte de Laprairie; la cite de Saint-Jean; ville de Preville; Ste. Famille de Boucherville; Ville de Fort Chambly; ville de Marieville; cite de Lafleche; Sorel; cite de Jacques Cartier; ville de Boucherville; St. Basile le Grand; village de Richelieu; L'Association du Camionnage du Quebec Inc.

*AIRPORT CONSTRUCTION, NEW BRUNSWICK

Question No. 207—**Mr. Michaud:**

1. Have moneys been appropriated for the purchase of land and/or land clearance for an airport at or near Dalhousie or Campbellton, New Brunswick; and, if so, in what amounts?
2. Have moneys been appropriated for the construction of runways, road diversion, and ramps for proposed construction of an airport at or near Dalhousie or Campbellton, New Brunswick; and, if so, in what amounts?

Mr. Balcer: Mr. Speaker, the answers to the two parts of this question are as follows:

1 and 2. No, but a project near Dalhousie has been receiving departmental study and an early decision is expected.

*ST. LAWRENCE SEAWAY ACCIDENTS, 1961

Question No. 211—**Mr. Fisher:**

1. Were there fewer accidents to shipping in the St. Lawrence seaway during 1961 than in the previous years; and, if so, can this drop be attributed to different or better pilotage arrangements or better piloting?
2. Has Captain F. S. Slocombe of the Department of Transport or Captain A. T. Meschter of the great lakes pilotage administration made any comments upon this accident factor?
3. Does such a drop lead the Department of Transport officials to expect a drop in insurance rates on shipping in the seaway?
4. Does the department intend to make any representations to the underwriters adjustment bureau with regard to this subject?

Mr. Balcer: Mr. Speaker, the answers to the four parts of this question are as follows:

1. There has been a steady decline in virtually all types of accidents to shipping in the St. Lawrence seaway since it was opened in 1959. Many factors may have been involved in this improvement and the department cannot express an opinion as the prime cause.

2. Captain F. S. Slocombe of the Department of Transport gave a brief summary of the principal figures illustrating the decline in accidents before a joint meeting of the dominion marine association and the lake carriers association at Dearborn, Michigan, on January 17, 1962. He made no comment on this information. Captain A. T. Meschter is an employee of the government of the United States and not of the government of Canada.

3. Marine insurance is a matter for the shipping industry and the marine underwriters.

4. No.

*PUBLIC BUILDING, EDMUNDSTON, N.B.

Question No. 220—**Mr. Robichaud:**

1. Is it the intention of the federal government to proceed with the construction of a public building at Edmundston, New Brunswick, during 1962; and, if so, has the Department of Public Works purchased the land for the proposed building?
2. What is the location of this land, from whom was it purchased, and at what price?

Mr. Walker: Mr. Speaker, the answers to the two parts of this question are as follows:

1. Yes; no.
2. Not applicable.

*VOLUME II, STATUTES OF CANADA 1960-61

Question No. 221—**Mr. Howard:**

How many copies of volume II of the statutes of Canada for 1960-61 were printed in (a) English (b) French, and what was the total cost of such work?

Mr. Dorion: Mr. Speaker, the reply is as follows:

(a) 100.

(b) 29; at a total cost of $3,540.71.

*EXPORT PERMIT APPLICATIONS REJECTED, TRANSSHIPMENT OF GOODS TO CUBA

Question No. 223—**Mr. McIlraith:**

Were any applications for export permits rejected in 1961 for the shipment to Cuba through Canada of goods from other countries; and, if so, how many, and what other countries were involved?

Mr. Morris: Mr. Speaker, the answers to the three parts of this question are as follows:

1. Yes.
2. 44.
3. United States of America.

*EXPORT PERMIT APPLICATIONS APPROVED, TRANSSHIPMENT OF GOODS TO CUBA

Question No. 224—**Mr. McIlraith:**

Were any applications for export permits approved in 1961 for the shipment to Cuba through Canada of goods from other countries; and, if so, how many, and what other countries were involved?

Mr. Morris: Mr. Speaker, the answers to the three parts of this question are as follows:

1. Yes.
2. 162.
3. Belgium, Brazil, Chile, Cuba (returned goods), Czechoslovakia, Denmark, France, Federal Republic of Germany, India, Italy, Japan, Mexico, the Netherlands, Sweden, Switzerland, Syria, United Kingdom, West Africa, United States of America.

FUME CONDITIONS, SAINT JOHN HARBOUR, N.B.

Question No. 225—**Mr. Herridge:**

Have any complaints been received concerning fume conditions existing during the winter port season months in the Pugsley terminals sheds on the east side of the harbour of Saint John, N.B.; and, if so (a) what was the nature of the complaints (b) who made them, and when (c) what answers have been given (d) what remedial action, if any, has been taken?

Answer by: **Mr. Balcer:**

Mr. Speaker, the answers to the four parts of this question, the national harbours board informs, are as follows:

Questions

(a) Complaints were received against air contamination of Pugsley terminal sheds by the operation of gasoline and diesel-powered fork-lift trucks and by the idling of highway transports during delivery and collection of cargo.

(b) the complaints were made by officers of labour unions originally through the provincial and federal departments of health and received by the national harbours board in Ottawa on February 23, 1961.

(c) Following a survey by the occupational health division of the Department of National Health and Welfare during the period March 21-24, 1961, and receipt of their report dated April 14, 1961, the port manager at Saint John advised all companies responsible for shed operations that the board would instal a ventilating system in the offices, but that as the board had no responsibility for shed operations the operators themselves should inform all their employees of the inherent dangers so that they could take necessary precautions when operating motor equipment in the sheds.

(d) Ventilation of the offices has been completed; operators of trucks and other equipment are instructed not to idle their equipment in the sheds; tests are being made to determine the level of contamination at various times during this winter, and following such tests a further appraisal of the situation will be made.

*BANK OF CANADA CURRENCY SIGNATURES

Question No. 230—**Mr. Howard:**

1. What amount of currency, by denomination, bearing the signature of J. E. Coyne as governor of the Bank of Canada, is on hand at the Bank of Canada?
2. When is it expected that currency will be distributed bearing the signature of Louis Rasminsky as governor of the Bank of Canada?

[*Later:*]

Mr. Fleming (Eglinton): Mr. Speaker, I have the answer now to question No. 230, if it is the wish of the house to revert to it.

Mr. Speaker: Is it agreed that the answer to question 230 may be tabled now?

Mr. Pickersgill: It is an oral question.

Mr. Fleming (Eglinton): Yes, Mr. Speaker, but it contains a number of figures and it might be placed on the record of *Hansard* without being read.

Mr. Speaker: Agreed?

Some hon. Members: Agreed.

[*Editor's note: The answer referred to above is as follows:*]

[Mr. Balcer.]

1. Denomination	Millions of notes
$1	44.3
$2	29.8
$5	34.9
$10	62.8
$20	23.0
$50	5.5
$100	4.8
$1000	.039

2. The supply available, at normal usage based on previous years' experience, is approximately sufficient to last for an additional:

$1	6 months
$2	10 "
$5	1 year
$10	1⅔ years
$20	1½ "
$50	9 "
$100	9 "
$1000	17 "

*MICHAEL WARDELL, CANADA COUNCIL APPOINTMENT

Question No. 233—**Mr. Dumas:**

Was Michael Wardell (recently appointed to the Canada council) (a) born in Canada (b) educated in Canada; and, if not, how many years, if any, has he lived in Canada?

Mr. Diefenbaker: Mr. Speaker, the answer to this question is that Mr. Michael Wardell was not born in Canada. He was educated at Eton and came to stay in Canada in 1950.

ROYAL COMMISSION ON PUBLICATIONS—COST

Question No. 236—**Mr. Herridge:**

What was the total cost to the crown of the royal commission on publications?

Answer by: **Mr. Diefenbaker:**

The answer is $126,236.63.

*PLEASANT BAY, N.S.—HARBOUR IMPROVEMENTS

Question No. 239—**Mr. Bourget:**

Is it the intention of the Department of Public Works to undertake harbour improvements at Pleasant bay, Inverness county, N.S., this coming summer; and, if so, what is the extent of these improvements?

Mr. Walker: Yes. An extension to the skidway—this is not political—is being planned.

*LAND EXPROPRIATION, SAINT JOHN, N.B. URBAN RENEWAL

Question No. 240—**Mr. Dumas:**

Have any representations been received by the government alleging injustice in the expropriation of land for the east end urban renewal in the city of Saint John, N.B.; and, if so, what is the specific allegation, and what reply or action has been taken by the government?

Mr. Walker: I have received several telegrams and letters from associations representing a number of property owners in Saint John, New Brunswick, concerning the expropriation of an urban renewal area by the city. I have replied stating that their representations should be submitted to the provincial and municipal authorities, as the matter is one which falls within their jurisdiction.

*FRENCH CANADIAN PERSONNEL, GOVERNOR GENERAL'S FOOT GUARDS

Question No. 241—**Mr. Pitman:**

Is there any truth in the allegation that the Governor General's Foot Guards traditionally and presently confine French Canadians to the level of other ranks; and, if so, what are the reasons?

(Translation):

Mr. Chambers: Mr. Speaker, there is absolutely no truth in that assumption. On the contrary, that battalion is proud of having French speaking Canadians among its officers, n.c.o.'s and other ranks. It is to be regretted that the hon. member put such a question on the order paper without first having examined the facts. Had he done so, he would not have inconvenienced this most distinguished unit.

(Text):

QUESTIONS PASSED AS ORDERS FOR RETURNS

*LOANS AND GIFTS TO RUSSIA, WORLD WAR II

Question No. 217—**Mr. Pigeon:**

What is the aggregate of loans or gifts, by way of money or arms, made to Soviet Russia by the Canadian government during the last world war?

MANUFACTURE OF LIFT TRUCKS IN CANADA

Question No. 227—**Mr. Benidickson:**

1. Did the Department of National Revenue, customs and excise, have any information that gas or gasoline powered lift trucks, having a maximum lifting capacity (as now rated by the department) of 4,000 pounds at a load centre of 24 inches from the face of the forks, were made in Canada in the calendar years 1953, 1954, 1955, 1956, 1957, 1958, and 1959 prior to the budget of that year?

2. If so, in which of these years were such lift trucks made in Canada, by whom were they made, and by what model designations were they identified?

*INFORMATION DIVISION PERSONNEL, PUBLIC SERVICE

Question No. 242—**Mr. Pitman:**

1. How many are employed in the information divisions of all the government departments?

2. How many were employed in the existing information divisions in 1957?

3. What is the total payroll of these information divisions?

Orders for Returns

TECHNICAL AND VOCATIONAL TRAINING

Question No. 243—**Mr. Pitman:**

1. On what date did the federal government reach agreement with each of the provinces in regard to the Technical and Vocational Training Assistance Act passed at the last session of this parliament?

2. How many technical institutions designed to provide facilities for those who have left the regular school system have been approved for federal grants under this legislation?

3. What are the names of these institutions, the cost of each, the federal share of the cost, and the estimated enrolment of these institutions?

4. How many vocational teachers, instructors, supervisors, and administrators were trained in each of the provinces under provisions of the Technical and Vocational Training Assistance Act.

LEGAL ADVISERS, C.M.H.C., PETERBOROUGH

Question No. 244—**Mr. Pitman:**

1. What are the names and addresses of all legal advisers to the Central Mortgage and Housing Corporation in the electoral district of Peterborough in each of the years 1953 to 1961?

2. What were the fees accorded to each of these advisers in the years 1953-61?

NATIONAL DEFENCE

NUCLEAR WEAPONS—INQUIRY AS TO DISCUSSIONS ON JOINT CONTROL

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Prime Minister whether the government proposes to enter with the United States into the discussions referred to by the United States secretary of state last week for the joint control nuclear weapons for Canadian armed forces.

Right Hon. J. G. Diefenbaker (Prime Minister): As I said last week, Mr. Speaker, discussions have taken place from time to time. There is no present intention to follow the course suggested by the hon. member in his question.

Mr. Pearson: I rise on a point of order, Mr. Speaker. I did not suggest any course. I merely asked the Prime Minister a question and made no suggestion for any course at all. The Prime Minister's inference was entirely unwarranted.

Mr. Diefenbaker: I was just trying to help the hon. gentleman out.

NATO—USE OF NUCLEAR WARHEADS

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of National Defence. In the absence of a bilateral agreement with the United States of America, is it possible for Canadian forces

in NATO to acquire and use nuclear warheads for the weapons they already have which have been constructed for use with nuclear warheads?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I think the matter of nuclear warheads was dealt with pretty fully throughout last week by the Prime Minister, and I do not think I have anything further to add at the moment.

Mr. Hellyer: I wonder whether the minister would mind just answering the question. Is it possible for Canadian forces in Europe to acquire nuclear warheads without a bilateral agreement with the United States?

[*Later:*]

Mr. Hellyer: I wish to direct a question to the Minister of National Defence. Has there been any discussion in NATO concerning the possibility of the United States supplying its NATO allies with a new mobile medium range rocket specifically designed to fit NATO's defence needs in western Europe?

Mr. Harkness: I have some indication in the newspapers of such a discussion or proposal having been made, but as yet I have received no official confirmation from our officials at NATO headquarters.

ARCTIC ISLANDS—REPORTED SELECTION OF LANDING STRIPS BY U.S.

On the orders of the day:

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, on Thursday last the hon. member for Laurier referred to a recent news report to the effect that the United States had picked out some 50 emergency landing strips in the Canadian Arctic islands for military and civilian planes. He asked if the statement was factual and whether there were any conditions governing the use of these fields, and I told him I would get a report. The answer is as follows.

The report apparently referred to a United States study entitled "Terrain Analysis of Ice Free Land sites in Arctic Canada" dated February, 1961. As part of the United States arctic research program a study was performed during 1960-61 with the assistance of Canadian Aero Service Limited of Ottawa. The major purpose of this project was the identification, location and preliminary terrain analysis of the most promising ice free natural landing sites within the Canadian Arctic, north of the 65th parallel. The study was based entirely on an examination of aerial photographs taken by the R.C.A.F. and readily available to the general public through the Department of Mines and Technical Surveys. It indicated that there are some 50 sites within the area where landing strips could readily be developed.

The results of the study have been made available to the Canadian government departments concerned, and through the Department of Northern Affairs and National Resources to interested commercial companies. To date there are no plans for the development or utilization of these possible landing strips.

TRADE

REPORTED CRITICISM OF CANADIAN POLICY BY U.S. SENATOR

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Prime Minister. In view of press reports that United States Senator Wayne Morse on Saturday strongly criticized Canada's trade with communist countries and indicated that he wished strong U.S. government pressure to be brought to bear on Canada to effect a change in our policies, will the Prime Minister assure the house and the country that the Canadian government has no intention whatsoever of meekly reversing policies which have the support of the majority of the Canadian people?

Mr. Speaker: Order. If the Prime Minister considers it appropriate to answer the question I would not offer any objection. However, may I make this observation to the hon. member. The question about Canada's policy with respect to trade with Cuba has been asked several times this session and answers have been given. It would not seem to me to be appropriate to ask questions again every time some foreign politician or even a United States senator makes some comment on the matter.

Mr. Herridge: With all due respect, Mr. Speaker, may I submit that this was a rather unusual statement over the week end. We wondered whether the government had been shaken.

Mr. Speaker: What I have said is in the interest of keeping this period of our business within bounds. If I accepted a new question every time a critical remark is made, it would be difficult to achieve this objective. However, I do not wish to limit an hon. member with respect to a matter which he

considers to be urgent. I do not object to the question being answered if the Prime Minister desires to. I would simply point out that the matter was dealt with a short time ago.

SHIPPING

REQUEST FOR RE-ESTABLISHMENT OF MERCHANT MARINE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Transport, notice of which I have sent him. Has the government come to any decision on the request made by the Canadian brotherhood of railway transport and general workers to the minister with respect to the re-establishment of a Canadian merchant marine, as contained in their annual brief to the minister?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, in their brief the brotherhood asked for the re-establishment of a Canadian merchant marine of the same type as the Canadian National Steamships, Canada-West Indies Steamship Corporation, or Park Steamships. The only answer I can give is that there has been no decision to change the policy of the government, and if and when a decision is taken in this matter it will be announced in due course.

NOVA SCOTIA—LEAKAGE OF OIL FROM GROUNDED FREIGHTER

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, on Thursday last the hon. member for Queens-Lunenburg asked a question concerning pollution from bunker oil on board the S.S. *Suerte,* aground near Three Fathom harbour. Many inquiries have also been made by and discussions held with the two members for Halifax on this matter, and I should like to make a report to the house.

An official of my department has made several visits to the vessel, accompanied by salvage officials. Bunker oil must be heated before it can be pumped and the flooding of the engine room has prevented this being done. I am also advised that the surrounding waters are so shallow and dangerous that other vessels of sufficient size to provide heat and power could not come alongside.

The department has, however, just been advised that a contract to salvage has been arranged by the owners of the ship, who have been notified that in the meantime and during salvage operations every precaution must be taken to prevent or minimize the escape of oil. It is expected that an attempt to move the vessel will be made shortly.

Inquiries of the Ministry

TRANSPORT

WELLAND CANAL—INQUIRY AS TO REMOVAL OF TOLLS

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has the government decided to remove tolls on the Welland ship canal?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I received a delegation from the Welland ship canal toll abolition committee, and the hon. member was also present. The group that came to see me discussed with me various factors that should bring about the abolition of these tolls. The matter is under consideration, and if and when a decision is taken it will be announced in the proper fashion.

CHAMPLAIN WATERWAY—REFERENCE TO INTERNATIONAL JOINT COMMISSION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Prime Minister. In the light of some of the statements made during the discussions of the Canadian-American interparliamentary committee to the effect that thus far no official reference of the question of the Champlain waterway cut-off had been made to the international joint commission by Canada, I ask the Prime Minister if the government of Canada has referred this subject, as I understood it did some weeks ago, to the international joint commission.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think the house had better await the return of the Secretary of State for External Affairs.

UNITED NATIONS

DISARMAMENT—CANADIAN REPRESENTATION AT CONFERENCE

On the orders of the day:

Mr. Nicholas Mandziuk (Marquette): I wish to direct a question to the Prime Minister and ask him who will be representing Canada at the disarmament conference in Geneva.

Right Hon. J. G. Diefenbaker (Prime Minister): While I have not seen the text of the letter from Mr. Khrushchev to the President of the United States, I understand that he suggested that the Geneva conference should be preceded by a meeting of the foreign ministers of the United States, United Kingdom and the Soviet union, and that the conference as a whole should begin at the

foreign ministers' level. That being so, the head of the Canadian delegation will be the Secretary of State for External Affairs.

PUBLIC WORKS

NAMING OF NEW DEFENCE RESEARCH BOARD BUILDING

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): In view of public interest and concern I wish to direct this question to the attention of the Minister of Public Works. First, would he explain to the house the news reports concerning his titillating mistake with respect to the Tilleys, which has some of us in a tizzy. Second, does this represent indirect notice of the government's intention to re-introduce titles in Canada?

Hon. D. J. Walker (Minister of Public Works): Whether it was a titulating mistake or a titivating mistake, it certainly made one man happy for a day. He was king for a day. It was a great pity that when the name "Sir Leonard Tilley" was to be given to this building of the defence research board, our department did not do more research before asking the wrong man, but I think justice has been done under the circumstances and all parties are happy with the outcome.

PRIVILEGE

MR. MCILRAITH—DELAY IN ANSWERING QUESTION ON ORDER PAPER

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I desire to raise a matter of privilege affecting the rights of private members on the question hour, with particular reference to written question No. 70 on today's order paper. It will be noticed that that question is very clear in its form, is very short, and asks a simple question of fact. It has been permitted to stand on the order paper day after day as questions have been called. It will be noted also that on February 28, as appears at page 1344 of *Hansard,* the Prime Minister was asked a question on the same subject by the hon. member for Swift Current-Maple Creek, and in the answer given to that question it became quite clear that the information available to answer No. 70 on the order paper was in his possession.

Mr. Speaker: Order. I wonder if the hon. member has any precedent for raising his question of privilege regarding hon. members of the house, dealing with delay, reluctance, refusal, or whatever it may be, to answer a question.

[Mr. Diefenbaker.]

Mr. McIlraith: Speaking to the point of order, as I understand the matter I have no such right to raise a matter of privilege on any delay in answering questions, but I have a right as a private member if the Prime Minister, in his capacity as Prime Minister, has information available and provides it for one hon. member and not for another. That affects the right of all hon. members.

Mr. Speaker: I would doubt if the hon. member could cite a precedent for any statement of that kind. When the refusal to answer questions does not raise a question of privilege, then surely there is no matter of privilege involved in what the hon. member says. If an answer were given outside of the house to a question which was not answered in the house, that might raise the question of the rights of the house or of hon. members. It seems to me that the fact which has been stated might give the hon. member scope for argument, but not the basis for a point of privilege.

Mr. McIlraith: The only point of privilege that can arise is that in the House of Commons I had assumed it was rather elementary that all private members have equal rights, and that there cannot be different treatment accorded to different members on public business; and that the test as to whether or not information is given to the house cannot be based on which hon. member asked the question. That is the only point of privilege.

Mr. Fulton: The hon. member has not established any breach of the rights of hon. members.

Right Hon. J. G. Diefenbaker (Prime Minister): That last statement cannot go unchallenged. Certainly private members have equal rights. The question I answered had to do with payments made during the month of February and whether there were payments to be made on account during the subsequent months. The written question by the hon. member for Ottawa West has to do with the date of an agreement, how many individual contracts have been signed, and what is the date of each. The general principle as to the rights of private members being equal is accepted and always has been.

Mr. McIlraith: Answer the question.

Mr. Diefenbaker: I am sure the hon. member is just raising the question in order to make himself heard.

Mr. McIlraith: And to call attention to the delay.

INQUIRY FOR RETURN

C. M. DRURY—APPOINTMENTS AND DECORATIONS

On the orders of the day:

Mr. John R. Matheson (Leeds): May I ask the Secretary of State when he will be able to reply to question No. 72, which was made an order for return on January 31 last.

Hon. Noel Dorion (Secretary of State): I shall make inquiries.

(Translation):

AIRPORTS

DORVAL—FEDERAL REPRESENTATION IN LEGAL PROCEEDINGS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Minister of Transport.

In connection with the dispute at Montreal concerning the control over taxi service at Dorval's international airport to show that the contract awarded by the federal government infringes upon property and civil rights, could the minister tell the house if the government is represented in any way in this litigation and, if not, has the minister any comments to make in that connection?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, this matter is presently before the courts and as such is sub judice. Consequently, it would not be proper for me to express an opinion one way or the other.

Mr. Chevrier: Is the government represented in any way in that litigation?

Mr. Balcer: No, Mr. Speaker.

(Text):

SMALL BUSINESSES LOANS ACT

AMENDMENT RESPECTING BUSINESS IMPROVEMENT LOANS

The house resumed, from Thursday, February 15, consideration of the motion of Mr. Fleming (Eglinton) for the second reading of Bill No. C-49, to amend the Small Businesses Loans Act.

Mr. Walter Pitman (Peterborough): Mr. Speaker, when the house was debating this resolution some time ago I traced the history of this legislation and tried to indicate that this was one of the four great measures brought forward by this government a year ago last fall as the four corners of the great edifice against unemployment, along with the Vocational Training Act, the amendments to the National Housing Act, and there was one other piece of legislation that went along with those whereby unemployment was to be combated.

This government came into power, at least in part, on its promise to help the small businessman, and it set up a small business department in the Department of Trade and Commerce. The only thing about this department is that it remained small, and I cannot really see that it has helped the small businessman very much. The first year it appeared in the estimates with a grant of some $30,000. Last year it received nothing. I looked in vain this year in the estimates—

Mr. Fleming (Eglinton): Mr. Speaker, the hon. member must realize that is quite wrong. The appropriation for the small business loans branch of the Department of Trade and Commerce is there in the estimates. It is included in a larger item now. This was discussed on the estimates in the last session.

Mr. Pitman: What the minister is really saying is that it has been absorbed and has now appeared as a part of another section, but I think we can say that this department has made no real, significant change in the way this government has dealt with the small businessman since the last election.

Mr. Fleming (Eglinton): That is a silly statement; it is not true.

Mr. Martin (Essex East): It is true.

Mr. Fleming (Eglinton): It is untrue.

Mr. Pitman: Supposedly this measure for loans to the small businessman was to provide a great pool of some $300 million government guaranteed, and strangely enough the small businessmen across this nation refused to dip into this pool except to the extent of some $27 million.

I am sure hon. members on the other side of the house realize that the availability of capital is the most important aspect of taking part in business today.

A few days ago I was reading a little book by two men called Adler and Kelso. They were the authors of a book which caused quite a furore sometime ago entitled "The Capitalist Manifesto". This new little book is called "The New Capitalists". I think it should be read by hon. gentlemen on the other side of the house who are going to fight the next election on the basis of free enterprise and maintaining our capitalist system. These authors say that our system is going down, and the main problem is that the large capitalist can finance his day to day activities by acquiring more capital, in comparison with the man who has to go into the open market to get it. The advantage is always with the large corporation to the

disadvantage of the small business. To put it bluntly, those who have will get more, and those who have not will get less.

Of course as time goes by capital is going to be more important than labour. The importance of labour as compared with capital is declining year by year. These authors look ahead for many years and see a situation whereby the capital of the nation will be controlled and concentrated in fewer and fewer hands. They say this is wrong, and that if we are to stop this happening we must take a very great leap forward. The solution of the author is to make everyone a capitalist, and he calls it the new capitalism. He points out that we must use the insurance principle to deal with the problem of entrepreneurial error which makes it almost impossible for the small investor to take a chance.

This bill is in a sense trying to do somewhat the same thing; it is within this area. It is taking a direct approach and placing capital in the hands of those who need it. The small businessman, as we have seen, is driven constantly to the loan company, to high interest rates, to restrictive terms. The important thing about this piece of legislation is that although it looks good on paper, it simply is not fulfilling its purpose.

A recent article in the *Globe and Mail* of Tuesday, February 6 indicated that there are some 64,000 small businesses and small manufacturing firms which have assets of less than $250,000 and which come within the purview of this legislation. This is multiplied, of course, when we take into account those businesses which are in the service, retail and the tourist fields, all the areas which this broad piece of legislation was expected to cover, of which only some 2,000 have taken advantage of this legislation.

Some hon. Members: Some 3,000.

Mr. Pitman: Well, between 2,000 and 3,000.

Mr. Martin (Essex East): Twenty seven million dollars out of $300 million.

Mr. Pitman: I know one bank in Peterborough which is absolutely surrounded by small businesses; it is one of the oldest banks in the city, but it does not have one single loan on its books under this legislation. I know another bank where they have had some 25 requests, not one of which came within the demands of this legislation. I tried to get information on this bill. I think if hon. members will look at *Hansard*, page 1243, and the questions I put on small business loans they will see how I tried to get information which I felt was extremely important if we were to judge this piece of legislation and look at the measure with which we are now dealing with some kind of knowledge. I asked question No. 175;

> What was the total amount of money lent under last session's Bill No. C-40 (Small Businesses Loans Act) in the year 1961?

The answer was $25,582,269.41. My second question was:

> How many loans were made during 1961 under the said act?
> How many loans were made in amounts from (a) up to $500 (b) $500 to $1,000 (c) $1,000 to $5,000—

And so on. In other words I wanted a breakdown of the number of loans and the amounts loaned under this legislation. That information was unavailable. Perhaps the Minister of Finance could tell us why this kind of information is not available on what I consider to be an extremely important piece of legislation. There is no breakdown of the loans which have been made under this legislation.

Mr. Fleming (Eglinton): Mr. Speaker, I can answer the hon. member right now.

Mr. Pickersgill: We are not in committee.

Mr. Fleming (Eglinton): This information has not been broken down in this form as yet. I am told it would take at least two weeks to break down the information we have into the detailed categories the hon. member set forth in his question.

Mr. Pitman: I wish the minister had mentioned that at the time, because simply saying that the information is not available would lead one to believe that it was not going to be made available. My next question was:

> How many applications were (a) received (b) rejected?

Once again this information is not available.

Mr. Fleming (Eglinton): The government has not got that information; that is information the banks have. They receive the applications; they deal with them and accept or reject them. The government is given information only as to loans that are allowed to which the government guarantee applies.

Mr. Pitman: I thank the minister for that information, but it would seem to me that if the government is going to have any complete view as to how effective this legislation really is to the small businessman, this is the kind of information it would be very well to get from the bankers.

Mr. Fleming (Eglinton): You cannot.

Mr. Pitman: It seems to me that if we are to be able to tell whether the small businessman can really benefit by this kind of legislation, these government guaranteed loans,

surely we should know how many are being rejected because they do not come within the purview of this legislation. It would seem to me, on the basis of the comments I have heard from many people, that this is simply not getting through. Last year when we talked about the industrial development bank I was heartened by the fact that at least two members spoke up and said there should be a more liberal policy, that there should be more inclination to take a chance when making advances to industries applying to this government agency for loans. That surely is the view I might have expected would have been taken with regard to this legislation.

Mr. Fleming (Eglinton): That is quite different.

Mr. Pitman: I fail to see how it is quite different, and I say so in the sense that here again the government is trying to make credit available to smaller groups, though in relation to the industrial development bank they were trying to make capital available to the larger companies.

I would refer the minister to the remarks he made when he introduced this legislation in the house as reported in *Hansard* at page 55, 1960. It was suggested then that the expectation was that the government guarantee would encourage lending and increase the availability of medium term credit to small business. The minister then seemed to be very interested in comparing this legislation with the Farm Improvement Loans Act. He said—and I am quoting from page 55 of *Hansard:*

> The general nature of the legislation is similar to the Farm Improvement Loans Act.

He went on to say it was similar in form to the Farm Improvement Loans Act. Then he added:

> It has been represented to us by small business organizations that the amount of contract work available in the course of renovation and extension of premises of small retail businesses in Canada amounts to approximately $75 million.

Yet, we find that the total loans made under this act for that year amounted to only $25 million. Let us look at the results of the Farm Improvement Loans Act. In 1960 some 68,041 loans were made under the terms of that act. Under this legislation 2,977 loans were made. In that period $101 million was lent under the provisions of the Farm Improvement Loans Act. Under this act the amount made available was $25 million. Let us look at the size of the loans. Under the Farm Improvement Loans Act the average size of the loans made was $1,497. Under the Small Businesses Loans Act it was $8,593. I think it was the hon. member for Ottawa West who dealt with the whole question of putting the number of companies at the top. What is happening to the people at the bottom? It seems to me that $8,593 is rather a high average for loans to small businesses. I wonder what has happened to the grocery store owner, the motel owner, the small businessman who will only need one or two thousand dollars. I am sorry we do not have a breakdown of these loans so we could see what has happened to the people at the bottom.

I do not think I need go over the statements which have been made by the hon. member for Welland in this respect. Those we are trying to cover in this legislation are those who have managed to survive the last three years of Conservative recession, and those who hope to survive the next few years. This measure obviously does not cover those people. One person who is closely associated with banking has said of this that it looks good but it does not seem to cover the people he serves. This man is surrounded by small businesses. Small businesses have been very badly hit by this recession. They have suffered far more than the large corporations. They cannot create their own capital, and they are dependant entirely on the market place for their credit. Now they find that these regulations are too stringent.

Here again the problem is not just one for the bankers. What the banker does is determined by a conservative finance policy, conservative with a small "c". He has to make sure that his money will come back, and he has to be more than sure under the terms of this legislation. Yet surely this government must recognize its responsibility for having created an economy which has been to the detriment of the small businessman. The fact is that the small businessman, like the small farmer, has found his position destroyed by the recession, and is no longer able to compete on a practical basis.

I am trying to be constructive this afternoon. Perhaps we could look to the Department of Agriculture for some guidance concerning how to make this bill of real assistance to the small businessman who really needs help. I look with some interest at the work of the Farm Credit Corporation. We have a small businessman's section already in operation in one of our departments; the minister and I disagree as to how effective it has been. But it is in this area that I wish to suggest a direction in which improvements might be made. A tremendous effort could be made in terms of enlarging the scope of this section, even to the point where its officials could go into an area, talk with those concerned, find out what money is needed, find how a business is operating and what help is really required as a basis for

giving the businessman concerned some assistance in improving his enterprise and making it really worth while, as is done by officials of the Farm Credit Corporation. That organization does not simply say "It looks as if we shall not get our money back here, so we will let this applicant go without it and get along as well as he can". The small businessman needs help and advice as well as credit.

Some may say that this sounds like socialism. I do not think so. I think it is a sensible way of dealing with this problem. I think small business is in a bad way, and we must take its problems into account. I hope this government will take a different look at the difficulties now confronting the small businessmen of our nation.

Mr. Hubert Badanai (Fort William): As an advocate of long standing for greater consideration by lending institutions to small businesses, I welcome the amendment to the Small Businesses Loans Act before us which extends the availability of loans to include the construction or purchase of other premises, if the premises in which the business now conducted cease to be available, or if it is considered advisable to move to other locations or extend facilities to enable the expansion of business. I doubt whether there is a class of business, outside of small farmers, who are more deserving of consideration than these businessmen whose contribution accounts for 60 per cent of the internal trade of Canada, to say nothing of their individual contribution to the welfare and public life of the community in which they live. Often they give much of their personal service gratis, at no small sacrifice.

I would like to point out the contribution made by the tourist camp and motel operators to the wealth of our nation. The tourist industry has reached a status of great importance to the economy of Canada. Only wheat and newsprint bring in more money from outside Canada than do tourists. Only newsprint brings in more money from the United States than does the tourist industry. It benefits Canada in many ways.

I think it is sound to recognize the tourist business for what it really is. Figures show that it is one of the major Canadian industries. In spite of considerable expansion in motel and tourist resort promotion we are still far behind the United States in tourist facilities, not because of a lack of qualified persons eager to go into the business but because those people who are really interested cannot get the money to start a business.

The recently completed lake Superior circle super highway, which follows the lake from Sault Ste. Marie, Ontario, south to Michigan, Wisconsin and Minnesota, and finally Fort William, is 1,200 miles of scenic splendour, but unfortunately the Canadian side lacks the accommodation for the thousands of tourists who are coming in an ever increasing all year round calvacade to enjoy such inspiring sights as only the rugged shores of lake Superior can provide. It creates additional business and employment. Our tourist operators can hold Canadians in Canada and keep in circulation here money which would otherwise be spent abroad.

Travel by Canadians within Canada promotes a deeper understanding and appreciation of their own country and fosters national unity. In other words, tourism benefits everybody.

Mr. Speaker: Order. I wonder whether the hon. member would consider that he has sufficiently expounded all the virtues of the tourist industry to bring them within the purview of this act. We are really not debating the tourist industry. It is true that we are debating small business in the tourist field in so far as this amendment is concerned, but I suggest it does not open the door to a general review of the tourist industry.

Mr. Badanai: Mr. Speaker, on the point of order, with due deference to Your Honour's opinion on the matter, we are speaking about small business and I consider the small operators in the tourist industry to be engaged in small business. That is the way I view the matter. I submit it is the course of wisdom on our part to keep our tourist operators in business in order to retain the tourist dollar in the country.

I submit that in referring to the tourist business in discussing this amendment I am merely emphasizing the need of the small operator who is a small businessman. With respect, I submit I am quite in order in speaking on behalf of the tourist operator who, after all, is a small businessman. Those who provide the tourist accommodation required to meet the increased demand are entitled to the assistance which this amendment is supposed to provide. Today the tourist industry is developing from what it used to be—camp resorts offering cabin type of accommodation—to up to date modern establishments, because tourists demand accommodation equal to that which is provided by modern hotels.

Most visitors come to Canada from the United States by automobile, and this mode of travel creates a greater demand for roadside accommodation of the highest quality. Although many motels have been built in recent years, a substantial percentage of

Canada's motels and cabins needs to be improved and enlarged. There have also been sharp increases in tourism by Canadians visiting vacation spots in Canada. While no complete information is available concerning interprovincial travel, it seems fairly clear that the value of travel by Canadians within Canada is of an importance equal to that of the tourist business from the United States.

The expansion and improvement of Canada's tourist establishments, which include resorts, restaurants, hotels, motels and camps, are urgently required. At present the facilities which are inadequate and outmoded are being compared unfavourably with the more modern establishments which the travelling tourist expects, and the modernization of many of these businesses requires capital which quite often the operator is unable to borrow through ordinary banking facilities. This applies, of course, to tourist resorts and motels which, by reason of the relocation of highways, have to be removed to other locations.

I realize that with the passing of the government sponsored bill last year, No. C-40, provision was made for government guaranteed loans by chartered banks to small businesses, which has been of some help to small business enterprises for improvement and modernization of equipment and premises. However, some small businesses have encountered difficulties, notwithstanding the act, resulting in refusals by the banks to grant reasonable term credit to these proprietors of small businesses.

The minister has pointed out in reply to the hon. member for Peterborough that the department has no record of applications to the chartered banks under this legislation. This is an important omission. Surely the government should be kept informed as to the number of loans approved and the amounts, and also the number of applications for loans which were rejected. I dare say that the latter is greater than the former.

The major problems of the small retailer are a shortage of adequate long term capital and a shortage of well trained personnel. The small business is a major factor in the Canadian economy. The late Henry Ford staunchly declared that the small businessman was the backbone of the nation, which is just as true today as it was in Henry Ford's time.

Small businesses can be likened to a barometer which measures the economic climate of the country. Let us consider the impact on the national economy if the approximately 450,000 small businesses, including retailers, tourist operators, small service operators employing from 2 to 15 to 20 persons, were able to hire one or two more. There would be a business boom which would practically eliminate our present serious unemployment problem.

It is a pity that when the government established the productivity council the small independent business was ignored, notwithstanding the statement of the Minister of Trade and Commerce to the effect that the legislation provided for representation of all sectors of the economy. As far as I know, big business and the labour congress are the only groups represented on that body.

Good as this amendment to the Small Businesses Loans Act is, small business in Canada deserves greater recognition. The small tourist camp operators and motel owners and the independent stores are the real custodians of the principle of free enterprise. Here we see at first hand the workings of the profit and loss system. Here we see the reward of success, invariably made possible by recognition of efficiency, resourcefulness, hard work and integrity.

Notwithstanding the growth and expansion of big business, which is a trend developed by large investments, small business will continue to exist and be the mainstay of free enterprise because of the opportunity it offers for ingenuity, initiative and love for work. I cannot think of a better champion of democracy than the businessman who is self employed and knows the names of all his employees and many of his customers.

These are the people whom this bill is designed to assist. I submit that they deserve even more consideration than the bill contains. Some form of long term financing is needed to help those who wish to expand or relocate their premises. More than once I have had the opportunity to observe long established small independent businesses driven to the wall and into bankruptcy because of lack of sufficient capital to improve services and expand their holdings. They were unable to compete with large chain stores; their cheery personal services are gone and, sad to say, with them a part of the economic backbone of the nation is also gone.

In addition to lack of capital, small business establishments are handicapped by discriminatory freight rates in sections of the country such as northwestern Ontario, where horizontal freight rate increases over the past 10 years have driven to the verge of ruin many businesses, small and large.

Mr. Bell (Carleton): Mr. Speaker, I have refrained from rising previously on a point of order in the hope that perhaps the hon. gentleman might get back in order, as you suggested. However, he is now talking about freight rates. He has talked about everything

else except this bill. With great respect I suggest that there ought to be insistence that he conform to the rules and discuss the bill.

Mr. Speaker: I think the point is properly taken. I may advise the hon. member for Fort William that the principle involved is the guaranteeing of bank loans to small businesses. He should relate his remarks to that principle.

Mr. Chevrier: May I draw your attention to one thing, Mr. Speaker. In the consideration of small businesses and the profit or loss in relation to small businesses, freight rates are a very important factor. I presume the hon. member was making that point during the course of his remarks. I would ask Your Honour to take that matter into consideration.

Mr. Speaker: Perhaps the hon. member would proceed in the light of what I have said.

Mr. Badanai: Thank you, Mr. Speaker. Again I am obliged to say that freight rate discrimination has an adverse effect on small business establishments.

Mr. Bell (Carleton): Order.

Mr. Badanai: I am merely pointing out the situation. I am going to say this. This amendment is designed to help and assist the small businessman. I am trying to point out a way in which to assist him. I know the difficulties the small businessmen are confronted with in the form of any discrimination. In any event I am in favour of the amendment. I do not wish to prolong the debate on it. I think we all agree, with some reservations. It should go a little further. We should know the number of people who have applied and were turned down. We should know the amount of money invested in these small businesses and guaranteed by the government. I think it would assist the government a great deal, and also assist the small businessman.

For my part I am in favour of the amendment, notwithstanding the fact that it does not go far enough. However, I am sure that those who have been unable to borrow money under the old act will now try again. I express the hope that they will receive fairer consideration and will be able to borrow sufficient to meet their needs under this present legislation.

Mr. J. H. Horner (Acadia): This legislation has come before the house two or three times this session, Mr. Speaker. While I had not intended to speak on it, I believe that up to this time two things have been overlooked. I wholeheartedly support the amendment to the Small Businesses Loans Act. As to a businessman who has an established business, and who for one reason or another finds it necessary to move his location, this amendment will allow him to borrow in order to make the move.

The hon. member for Peterborough went to great lengths in comparing this particular measure with the Farm Improvement Loans Act. They are similar in many respects. He said that while under this measure, which has been in effect for one year, $25 million is lent, that was a small amount having regard to the principal with which it was set up, namely $300 million. He compared it to the $75 million lent under the Farm Improvement Loans Act in 1960. However, it must be remembered that this act has been in effect just a shade better than a year, and at the time of the figures he was using it had only been in effect one year. Under the Farm Improvement Loans Act, in the first year in which it was in effect, approximately 4,000 loans were made and $3,381,000 lent.

I think it is only fair to compare like years in respect of one act with like years in respect of the other, if you are going to draw a comparison. When the Farm Improvement Loans Act was set up the aggregate principal amount was $250 million. While they are similar acts, certainly the Small Businesses Loans Act has been readily accepted and has made a substantial contribution to small business and to the men in business. If this act continues to grow in the way the Farm Improvement Loans Act has grown since its inception back in 1944, it will continue to play a great part in the development of this country.

The hon. member for Peterborough went on to say that the average amount lent under the Small Businesses Loans Act was $8,500, and he compared this with the average amount lent under the Farm Improvement Loans Act which was $1,400. However, he did not know or did not realize that while a farmer may have several farm improvement loans at one time, his total amount in any one year may be up to $7,500 under the Farm Improvement Loans Act. I suggest that most farmers would be paying on possibly an average of $4,500. I am just taking that figure out of my own general knowledge of my own area. Under the Small Businesses Loans Act I am sure it would be more than likely that a small businessman would have one loan, and that would be the average of $8,500. I think the averages compare rather well, considering also the fact that under the Small Businesses Loans Act the businessman can borrow up to a maximum of $25,000 if his business is large enough.

The hon. member tried to portray to the house and to you, Mr. Speaker, a picture showing that the Small Businesses Loans Act

was not going to play a part in the development of Canada and was not going to meet the condition which it was first thought it would meet. By comparisons he tried to portray this picture, by comparing the effect of this act with the effective part the Farm Improvement Loans Act has played over the years in helping out a great many farmers. I submit that he made a very poor comparison when he sought to compare the figures for the very first year of operation of this new piece of legislation with the last figures available for a well established piece of legislation which the farmers have become accustomed to using a great deal.

I think I have pointed out to you, Mr. Speaker, and to the house that the Small Businesses Loans Act compares very favourably with other legislation, and I think it will go on to play a major part in the development and continuing expansion of this country.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I was very interested in the remarks just made by the hon. member for Acadia. Among his contentions I noted his claim that this legislation had made a substantial contribution to the welfare of small business in Canada. I may not be using his exact words, but I believe I am quoting him with reasonable accuracy. I submit that this act has made a substantial contribution to the welfare of our banking system and the chartered banks of Canada, because under the terms of the act they have been making loans that in all likelihood they would have made in any case. They have been happy to enjoy the benefits of this legislation. Any rather marginal loans they made in the past are now in effect insured by the government of Canada; therefore they do not need to run any substantial risk with regard to the loans they make.

I say this with the particular thought in mind that according to the terms of the legislation the banks are still entitled to collect the maximum rate of interest permissible under the provisions of the Bank Act. We have heard many comparisons of this act with the Farm Improvement Loans Act. However, there is an important distinction. If the government of Canada underwrites a loan made under the Farm Improvement Loans Act, the guarantee of the government of Canada has the effect of reducing the interest rate that the borrower must pay. This condition does not apply in the case of the Small Businesses Loans Act. While the government likes to compare this legislation with the Farm Improvement Loans Act, I regret very much that it has not seen fit to insist that the guarantee by the government should merit a reduction in the maximum allowable interest rate. I would hope that the government would heed the advice we gave it when it first introduced this legislation and bring in an amendment to establish a maximum interest rate for any loans made under the terms of this act, in line with the maximum rate now applicable to loans made under the Farm Improvement Loans Act. After all, the bond of the people of Canada should be worth something. Having in mind that the banks are permitted to collect 6 per cent interest on risks that they assume entirely, if they receive a guarantee by the people of Canada with regard to a major portion of any loan under this act I feel this should warrant a reduction of the maximum interest rate that the banks are able to collect.

By the government's failure to establish a maximum interest rate permitted to the banks of Canada under the terms of this legislation it is in effect announcing to all and sundry that the word of the government of Canada does not mean very much. The government is in fact saying to the banks "You can make loans on your own or you can make loans with our guarantee. Do as you please; you can collect the same rate of interest in either case". Naturally the banks are going to take the guarantee. In fairness and justice to the taxpayers of Canada and also in the interests of the small businessmen of Canada, I believe that if we guarantee loans by legislation the maximum permissible interest rate should be reduced.

I should like to endorse the sentiments expressed by the hon. member for Fort William. I have encountered many operators of tourist camps or trailer camps who find themselves without adequate facilities under either the Industrial Development Bank Act or the Small Businesses Loans Act. I believe it is time to call to the attention of the government the needs of people engaged in this type of enterprise. I believe we are losing a lot of potential revenue in not making available to these people adequate financial resources. At the present time they have only one place to go for the money they need, to the money racketeers of our nation, and this greatly handicaps them in their efforts to establish competitive enterprises in the tourist industry.

I noticed how touchy the minister was when the hon. member for Peterborough reminded him of what we have noted in the blue book of estimates over the past number of years. When the government first established a so-called branch in the Department of Trade and Commerce which was ostensibly designated to advance the interests of small business, the magnificent sum of $30,000 was

allocated to that effort. At that time I called the attention of the government to the fact that this would not even help one small service station operator in my constituency to gain real independence for himself. The amount was hardly enough to pay for more than the mailing of one mimeographed letter of advice to the many hundreds of small business operators in my community.

After having expressed our disappointment at the small effort on the part of the government that was indicated when the branch was established, namely the provision of $30,000 to encourage small business in the whole of Canada, I shared completely the disappointment of the hon. member for Peterborough when the item disappeared completely from the blue book in the following year.

Mr. Fleming (Eglinton): That is not true.

Mr. Regier: Yes, it is.

Mr. Fleming (Eglinton): It was included in another item.

Mr. Regier: We have now received the blue book of estimates for the coming year, and once again not a nickel is allocated to the cause of helping the small entrepreneurs of Canada.

Mr. Fleming (Eglinton): That is completely untrue.

Mr. Regier: It is not completely untrue. The minister cannot point to any specific item in the blue book that is designed especially to advance the interests of what he likes to brag about so much, free enterprise in Canada. The government is going right down the line followed by previous governments, and from our observations aid to small businessmen has for all practical intents and purposes been written off as impractical and no longer necessary because in the view of the government their contribution, their initiative and desire to be of service to their fellow men can well be dispensed with.

This was also obvious in the refusal of the government to supply the information requested by the hon. member for Peterborough. The minister cannot get off the hook as easily as he attempted to do by saying that the government does not have this information available. If this government is prepared to guarantee loans, then it has every right—indeed, I would go beyond that and say it has every obligation—to obtain the necessary statistics on the loans that the taxpayers of Canada are being asked to guarantee.

Mr. Martin (Essex East): Otherwise why spend even $30,000 a year?

[Mr. Regier.]

Mr. Regier: Obviously the government does not recognize that the taxpayers have a legitimate claim on it to account for the guarantees; and obviously the government, if it is unwilling to report its activities in this matter, would not, as the hon. member for Essex East said, have any justification for spending even $30,000 in the estimates of the year before last.

I am rather disappointed with the limitations that are revealed in the bill now before us. Naturally we shall support the bill, but I had hoped that the small businessman would also be able to take advantage of the provisions in the bill in order to supply himself with adequate amounts of stock. Any of us who know anything about how a small businessman must operate know that one of his greatest handicaps in becoming competitive is his lack of capital to buy adequate amounts of stock at the appropriate times.

I have known ever so many occasions when a small businessman, had he the financial reserves, would have been able to lay in sufficient stock in order to make an additional 10 cents, or even up to 20 cents, on a pound of coffee. Why doesn't the government extend the provisions of this bill in order to acknowledge the fact that one of the major investments which a small businessman must make is for supplies and to secure stock?

Mr. Fleming (Eglinton): On a point of order, we have had a great deal of straying in the course of the debate this afternoon and the Speaker, when he was in the chair, directed the attention of the house to what was the principle of the measure before it. We are not discussing the principle of the main legislation. We are discussing a bill which proposes to enlarge the purposes for which loans may be authorized under the main bill so as to include therein the relocation of business premises. That is the principle of the bill, and with the greatest respect I submit it does not afford any hon. member the opportunity to engage in a speech ranging all over the territory, as though he were debating the budget or something of that kind.

The hon. member has already dealt with the estimates of another department, and now he is proceeding to attack the principle of the main legislation. With respect I submit that is not before the house during this debate.

Mr. Regier: In reply to the point of order I would say the minister has been in this house for many more years than I, who have only been here nine years. He has been here more than nine years. We had a resolution preceding this bill in which the house was asked to approve in principle that the bill ought to be amended, but I would point out

that at the resolution stage the house is not officially aware of the contents of the bill that the government intends to introduce.

Mr. Fleming (Eglinton): On a point of order, we are not debating any resolution. We are dealing with the second reading of the bill.

Mr. Regier: I would appeal to you on the point of order.

Mr. Deputy Speaker: Would the hon. member state his reply to the point of order raised by the Minister of Finance?

Mr. Regier: My point of order is that it has always been the prerogative of an hon. member on second reading, having seen a bill, to express his disappointment at the government's failure to introduce a bill that would meet with the proposals that had been made to the government at the resolution stage. The minister is very thin skinned.

Mr. Fleming (Eglinton): Evidently the hon. member is not aware that there was no resolution with respect to the present measure. None was required. The bill has been introduced and here it is. Apparently the hon. member is not aware at all of the procedure of the house in this regard.

Mr. Deputy Speaker: I think it is well recognized that the discussion on second reading of an amending bill should be limited to the principle of the amendment, and it is not an occasion to review the principle of the main bill. I know the hon. member has been straying a bit from that principle, and I hope he will now confine his remarks.

Mr. Martin (Essex East): On a point of order, I have been listening to what the Minister of Finance has to say and what the hon. member for Burnaby-Coquitlam has been saying. This is not the first time this point of order has been raised. During the past hour I have discussed this matter with officials at the table, looking at the rules and the citations. I appreciate that there is a difference of opinion as to what the rules provide. I would be content to accept the ruling of the Minister of Finance if in Beauchesne I could find any citation that says that at this stage of the discussion of a bill an hon. member is precluded from pointing out the inadequacy of the measure before the house.

I can find no such citation, but in fairness I think it is only right to point out that on another occasion last session this position was taken by the presiding officer of the house, although the ruling was not insisted on. However, I should like to have the citation shown to me which precludes the kind of discussion about which a complaint has been lodged by the Minister of Finance. Surely an hon. member is entitled to say that this bill is good so far as it goes, but that it is inadequate because it does not provide other possible remedies to assist the small business community.

If we look through the *Hansard* reports of this debate we shall find that the kind of argument made by the hon. gentleman was pursued by others on all sides of the house since the bill was first introduced in this chamber. I rise not to take issue with Your Honour, but for the purpose of seeking enlightenment, to have shown under what citation this particular ruling or this particular position of the Chair is taken.

Mr. Deputy Speaker: This question has often been ruled upon in the house and I have here a number of rulings made by previous Speakers and the present Speaker, which are absolutely in accord with the point raised by the Minister of Finance, to the effect that the discussion on second reading must be limited to the amendment and not to the main bill. There is this citation:

> The fundamental rule that debate must be relevant to a question necessarily involves the rule that every amendment must be relevant to the question on which the amendment is proposed—

And so on.

Mr. Martin (Essex East): Could Your Honour give us the date of that ruling, please?

Mr. Winch: At the same time would you say whether the citation is on the details of the bill or the principle of the bill?

Mr. Deputy Speaker: The citation I have just quoted is from May's sixteenth edition, page 451, and it also refers to Beauchesne's fourth edition, citation 203, paragraph 1. Speaker Macdonald on November 14, 1949—this is recorded at page 237 of the *Journals*—ruled:

> On the second reading of an amending bill it is the principle of the amending bill and not the principle of the act to be amended which is the business under consideration. The discussion therefore must relate exclusively to the principle of the amending bill.

The present Speaker, on December 13, 1957, as reported at page 2314 of *Hansard*, gave a similar ruling, and also on May 6, 1959 at page 3402 of *Hansard*. There are a number of other precedents, to which I need not refer. I think if the hon. member will correlate his remarks to the purposes of the bill, that is the principle of the amendment, he will be in order. I think he will agree that it should be so, and I would ask him to observe this ruling.

Mr. Regier: Mr. Speaker, I wish to thank you for your very great consideration of

the problem raised by the Minister of Finance. I was not for a moment—and I hope he has not misunderstood me—attempting to argue the principle of the bill; I was speaking to the proposed amendment to the bill and I hope, in the light of the ruling you have just read to the house, I am able to remain in order.

However, I think you will agree with me, sir, that I ought to be given the privilege of replying to any arguments that have hitherto been put forward in this debate. The hon. member for Acadia mentioned that some $25 million had been loaned to small businessmen under the terms of this bill. I am not in any position to dispute the statistics. However, I should like to point out to the hon. member for Acadia that these loans have been made by the banks of Canada and not by the government of Canada. All the government of Canada has done, in effect, under the terms of the bill now before us is to guarantee to the banks that the major portion of these loans will be repaid, and the banks have been directed to collect the same interest rates that they would have collected if the bill had not been in existence.

An hon. Member: You are all wet.

Mr. Regier: This comes back to my earlier contention, that when the people of Canada guarantee a loan it is only equitable that the terms of that loan should call for a slight concession, no matter how small. According to the Farm Improvement Loans Act the concession to the borrower is 1 per cent per annum. I feel that the guarantee of the people of Canada ought to be worth something; otherwise I see little need for this parliament to be occupying itself with what would appear to be the needless task of underwriting a possible loss.

The hon. member for Fort William mentioned that this was a test of the profit and loss system. I should like to contend that this is a test of service to our nation and to mankind and not a test of the profit and loss system, because if we analyse the profit and loss system as a system without the good will of the people of the nation, by the very existence of this legislation we are admitting its utter failure and its gross weaknesses.

I think a number of speakers have boasted of this legislation as aiding employment. They said there were so many millions of dollars spent in the past year in the expansion of private business as a result of this legislation and that therefore it made a valuable contribution in reducing unemployment in Canada. I should like to answer this argument in only a very brief statement; that private business has sagged, and the very existence of this legislation is witness thereof, and that private business investments today have fallen to the point where they are unable to generate enough new private capital to be really influential to any major extent in relieving the problem of unemployment. Therefore the public resources are being asked to aid and abet in this matter.

While, as I said before, we are quite prepared to endorse the amendment to the act, we do contend that it is an admission of failure; that this government has failed to keep its promise to the Canadian electorate that it would do something effective to aid the cause of small business, and it is also not effective in that it does not begin to scratch the surface of the problems that are today facing the small businessman of Canada, the only real free enterpriser, who is being squeezed out of business because of the failure of the government to deal adequately with his problems and with corporate power as it now exists.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, as all the businessmen in my riding are small businessmen I would be remiss in my duty as their representative if I did not take advantage of this opportunity to say a few words on this amendment, and in particular to point out their views and the experiences they have had with the main legislation.

Hon. members will recall that the original bill was introduced in November of 1960, and at that time it was put forward by the minister as a part of the program which the government was setting up to make a massive assault on our unemployment problem. It was certainly a very exciting piece of legislation to the small businessmen in my riding, because I received more inquiries about it than I have ever received about any other legislation that has gone through this house. In fact there were so many inquiries that it could almost be used as a sort of Gallup poll.

I took advantage of that opportunity to ask the people who wrote me for information on how to go about getting these loans to write back and let me know just what success they had in getting loans under this legislation. Of all the inquiries which I received, the legislation was only applicable to about 10 per cent of their problems, and to date I have received notice that only one person in my riding has obtained a loan under this legislation.

It seems to me that the principle of this amendment is essentially the same as the principle of the original bill. This amendment does not embody any change in principle;

it merely extends the means by which the principle may be applied. Since there is no change in principle we can take it for granted that it will receive the same unanimous support from all quarters of this house that was given to the original bill.

At that time, when the original bill was being debated, the opposition pointed out the defects in the legislation; and the figures which the minister put on record in *Hansard* on February 15 I believe confirmed the criticism which was made at that time, namely that the legislation was far too restrictive to have much impact upon the economy of the provinces as an aid to employment, or to be of great assistance to the small businessmen themselves. The minister told us that fewer than 3,000 loans had been made. He said the average loan was $8,600 and that the total of all the loans amounted to about $25,-500,000, while the prospects indicated that the aggregate for the coming year might reach a total of $32 million. That is a far cry from the limit of $300 million envisaged in the main legislation.

This amendment would make it possible for small businessmen to secure loans for the construction or purchase of alternate premises should they have to vacate the premises they occupy, or when zoning operations make it impossible to expand, or where a business might fail if such a move were not made. It seems to me a pity that the government did not take advantage of this opportunity to go a little further and repair some of the other defects which have become apparent after this legislation has been in effect for a whole year. The fact that these loans are made by the banks and not by the government is in itself a handicap. I think the government should take note of the fact that in the Atlantic provinces there are about four banks—

Mr. Deputy Speaker: Order. I think the hon. member is going beyond the amendment when he begins to discuss the means by which the purpose of the original bill is carried out, and I think he should return to the amendment before the house.

Mr. Carter: On that point of order, these loans for the purchase or construction of new premises have to be made by the banks. What I am pointing out to the minister is that banking facilities in my province are not comparable to the facilities which exist in Canada as a whole. In fact I think it can be shown that about four banks make 80 per cent of all the loans made in the Atlantic provinces. We are having the same experience with regard to this legislation for small businessmen as we have in the case of the fishermen. For some reason or other it is very difficult for them to get loans, probably because those who require assistance are too far away from the banks to make personal contact or to provide the banks with all the information which is required.

Mr. Deputy Speaker: I think the hon. member heard the ruling which was made a few minutes ago, a ruling to which the Speaker, when he was in the chair, also referred. I think it would greatly facilitate progress in this debate if the discussion were limited to the subject matter of the amendment.

Mr. Carter: The point I was making is that when the original bill was before the house we called the attention of the minister to the fact that its terms were too restrictive. If any hon. member thinks that is funny let him look at the debate, and he will see that I pointed out to the minister then that the businessmen had four main needs. One of those needs was long term loans; another was a low rate of interest, and a third need was working capital. None of those needs were met by the original legislation, and none have been met by the amendment which we have before us now. In view of the importance of the small businessman in the economy of our country I think it is necessary that the minister give consideration to expanding the scope of this measure.

The small businessman is really the backbone of our economy. He is least likely to be affected by automation, and the employment afforded by small firms is likely to be more stable than that provided by larger firms. I would much prefer to have in my riding 50 small industries employing 20 persons each than one industry employing 1000 people, because in the latter case you have all your eggs in one basket.

This bill is a step in the right direction but it is only a very small step, and since it does not go anywhere near meeting the real needs of the businessman I ask the minister not to stop at this point but to carry on and extend this legislation, particularly so as to provide working capital. That is the main need of 90 per cent of the businessmen in my province. They cannot get it through the banks, and I think the government should make provision for it. I must remind the minister, too, that there is some doubt as to whether the banks are the best agencies for administering this legislation.

Mr. Deputy Speaker: I am afraid the hon. member is now definitely straying from the amendment, which refers to the enlargement of the purposes for which a small businessman's loan can be made, and I want him to come back to that. If he cannot do so he will have to resume his seat.

Mr. Martin (Essex East): Mr. Speaker, on that point of order, surely that is a very strict interpretation. If Your Honour will look at the explanatory notes of the bill you will see that the purpose of the bill is indicated. It is suggested that the government will accept the recommendation of a responsible officer of a bank in the making of a loan. Surely my hon. friend is not straying away from the subject matter of the measure when he argues that the bank is not, in his judgment, a proper vehicle for the purpose intended, that it should not be left to an official of the bank to have the power which this legislation gives to him. With respect I submit that Your Honour is straining the interpretation of our rules when he precludes my hon, friend from making an observation of that kind which, incidentally, is not the substance of his remarks but simply made in passing.

Mr. Deputy Speaker: I do not mind the hon. member making a passing reference to these matters but I hope the bulk and substance of his argument will relate to the bill before the house. So far that has not been the case. I think all hon. members will agree that I have exercised as much leniency as is possible, and as much as I am disposed to exercise in order not to go beyond the rules.

The hon. member for Essex East a few moments ago asked me to refer to citations. The citations are very clear. The discussion, therefore, as it has been ruled, must relate exclusively to the principle of the amending bill. I am only asking the hon. member to conform to that ruling which has been followed throughout the years in this house.

Mr. Carter: Mr. Speaker, I made the point that the principle of this amending bill is identical with that of the original legislation, namely to provide assistance to small business. This bill does not change the principle one bit, it only extends the means by which this assistance may be given.

Mr. Pickersgill: Very inadequately.

Mr. Carter: I am not going to labour the point, Mr. Speaker, if you wish to restrict my remarks, but I will remind the minister and my hon. friends opposite that this is not the kind of legislation we were promised by the Prime Minister to deal with the problems of small business. What he promised in 1957 was an agency somewhat similar to that which obtains in the United States.

Before I sit down I wish to ask the minister if he can give the house a breakdown by provinces of the $25.5 million in loans which have been granted to date. It seems to me legislation of this kind can serve a double purpose. Not only can it be a stimulant to the economy but can also be used as a sort of balance wheel to our economy. If this is to be done it has to be applied on a regional rather than on a national basis. I should like to see just what pattern shows up, by provinces, in the loans that have already been granted.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, the hon. member for Essex South, with his usual respect for freedom of speech in this house—

Mr. Martin (Essex East): Will the hon. member permit me to interrupt him before he castigates the hon. member for Essex South, who well deserves to be castigated? May I ask the hon. member for Bonavista-Twillingate to refrain from doing so at the moment because this is the hon. gentleman's birthday.

Mr. Pickersgill: I would have thought that on this occasion the hon. gentleman might have acted his age. However, I congratulate him on the occasion of his birthday.

Mr. Lambert: You should remind yourself of that every day of the year.

Mr. Pickersgill: I also thank the hon. member for Edmonton West for his customary good wishes which I always appreciate at their true value. As I was saying—

Mr. Thrasher: Perhaps the hon. member would allow me a moment in which to express my thanks to him and the hon. member for Essex East for their kind felicitations on this important day. I should like to point out, Mr. Speaker, that I have now reached a milestone in my life and I would like to think that I am now free to forget about future birthdays.

Mr. Martin (Essex East): Well, you will have to do something with this government.

Mr. Pickersgill: Unfortunately, I do not think the hon. member will likely have to forget about birthdays for a great many more years than would be so in my case or that of the hon. member for Essex East, and I hope when he reaches the age of the hon. member for Essex East he will have reached a similar degree of wisdom.

Mr. Fleming (Eglinton): And be less senile than that hon. gentleman.

Mr. Pickersgill: The Minister of Finance, as a great expert on the subject, talks about senility and I will not argue with him on that point.

Mr. Fleming (Eglinton): Do not look at your deskmate when you say that.

Mr. Fulton: The hon. gentleman is not prepared to argue about the senility of the hon. member for Essex East.

Mr. Pickersgill: If I may be permitted to be relevant and to speak to the bill instead of about birthdays and senility, and without the uncalled for interruption of the Minister of Justice, I wish to make a few observations about the inadequacy of the principle on which this bill is based.

This bill, as my friend the hon. member for Burin-Burgeo so accurately pointed out a moment ago, has precisely the same principle as the original legislation. The principle of this bill, as I understand it, is that loans will be extended by the banks to small businesses and up to a certain amount will be guaranteed by the treasury of Canada. That is the principle of the bill.

Mr. Fleming (Eglinton): No, no.

Mr. Pickersgill: When the minister replies he can put me straight.

Mr. Fleming (Eglinton): The hon. gentleman needs it.

Mr. Fulton: That will be impossible.

Mr. Pickersgill: Meanwhile, I will outline what I consider to be the principle of this legislation. It is that the treasury is giving a limited sort of guarantee of loans made by the banks under certain circumstances to certain categories of small businesses. This legislation, when it was originally introduced with great fanfare in November 1960 was part of a huge program that was going to end the current recession of that time, the second recession under the present government. You will remember, sir, at the beginning of 1960 the Minister of Finance made that famous speech to the board of trade, or rather to the Canadian club and the Empire club in Toronto—

Mr. Martin (Essex East): January 7.

Mr. Pickersgill: I have to be very careful to give the name of the right organization or otherwise the minister will likely say it is a lie. That is a word he very frequently utters. It is almost impossible to speak six words in this house without having the minister rise and use that word.

At the Canadian club and the Empire club in Toronto in January 1960 the minister told us the recession the Conservatives claimed they inherited from the Liberals was all over and we had now entered into a period of great prosperity when he was going to balance the budget. You will remember that, sir.

And then in November 1960 the government changed its mind again, or the facts had forced it to change its tune. It brought in two or three measures including the one we are now being asked to amend. We gave strong support to this legislation at that time because we felt we should support any measure which would contribute to alleviating the slump and stagnation from which this country has been suffering most of the time since hon. gentlemen opposite have occupied the treasury benches.

Mr. Cardiff: Utter trash.

Mr. Pickersgill: We gave this legislation strong support and only one or two people on this side of the house spoke on the subject, but from the other side we had speaker after speaker getting up and making long speeches of congratulations of the minister at that time, which seemed to me to have nothing to do with the principle of the bill. The Chair at that time did not call those hon. gentlemen to order as they told us what a wonderful Minister of Finance we had and praised the splendid job he was doing.

Mr. Deputy Speaker: Order. I have allowed the hon. member to engage in a lengthy preamble. I hope he has now reached the end of his preamble and will deal with the principle of the bill.

Mr. Pickersgill: No, sir. I have not reached the end of my preamble in this free parliament. There are other points I wish to make in laying a foundation for the argument I wish to advance.

As I said, at that time hon. gentlemen opposite told us of the wonderful things that were going to be accomplished by this legislation. Well, nearly a year and a half ago the government brought in this legislation. Hon. gentlemen opposite decided it was such a big measure that they required a ceiling of $300 million on the loans and so far $25 million has been lent.

In the speech from the throne this year, with great fanfare, we were led to expect big additional changes in this legislation. What do we get? We get an amendment which says that if you move your business from the south side of Sparks street to the north side of Sparks street, or from the north side of Sparks street to the south side of Sparks street, you can borrow under this legislation; and that is all. That is all this amendment does, and yet this bill was announced in the speech from the throne, which gives you an idea how frantically the government was shaking old straw in an attempt to find something with which to create an impression on the public. That is not, of course, what was expected. It is to that point that I intend to address myself, namely that this legislation is not what we were led to expect, not what the country was led

to expect and not what even the officials, who themselves have the responsibility for administering it, led the country to expect.

I have here in my hand a sheet torn out of a magazine called the *Canadian Grocer* for October 21, 1961. There is here an account of a symposium of the retail merchants' association's Ontario food section on this very legislation we are now being asked to amend. I should just like to read one paragraph because it shows two things. It shows not only that this legislation is quite inadequate but that an official having to do with its administration recognized that the law was inadequate, that it ought to be changed and that he aroused expectations of change which have not been met in the legislation.

Mr. Clancy: Read the whole thing.

Mr. Pickersgill: The hon. member suggests that I read the whole thing. It would be very edifying to do so. However, I assume that the hon. gentleman can read. He has a great deal of leisure and I suggest that he read it himself. The paragraph I wish to read is as follows:

> James A. Shields of the small loans branch kicked off by saying that experience had convinced members of his department that the ceiling of $250,000—

That is the ceiling on sales.

> —was too low and it would probably be lifted. Personally, he felt that the ceiling should be removed entirely as it was difficult to decide a figure which would suit all types of small business. It was his own feeling that any businessman who felt he would like to borrow $25,000 could be considered a small business.

The minister will no doubt say that Mr. Shields is not an officer of his department, but is an officer of another department. We know from experience at Accra and about Accra that different ministers speak with different voices. Now there are officials who do so. However, there is no doubt that expectations were aroused by these reports. Anyone who cares to read the *Financial Post* for January 27 will see that the editors of the *Financial Post*, who in these days seem to be about the only people left in the journalistic world who view this government with any charity at all, were led to expect some real legislation, some real changes that would lift this legislation from the doldrums in which it has found itself, with only $25 million lent when they expected $300 million and, as one hon. member has pointed out, probably most of it would have been lent anyway whether or not the legislation had been there. As my friend the hon. member for Burin-Burgeo has said, this legislation is so different from what we were led to expect, is so different from what the public was led to expect and is in so many ways inadequate.

Mr. Fleming (Eglinton): He did not say that.

Mr. Pickersgill: We had expected that something really substantial would be done, something that would carry out some of those sweeping promises to small business that were made by the Prime Minister in his election campaign in 1957 and which I could put on the record—I have them here in my hand—if the rules of the house would allow it. However, I see you looking at me, Mr. Speaker. There seems to be distaste on the other side of the house for having any of these promises of the Prime Minister put on the record, even in the most attenuated form. Objection is taken even to having quotation marks put around them. As I say, what we were led to expect was that legislation would be put on the statute books which, like the farm improvement legislation and the other legislation such as the home improvement legislation, which was put on the statute books by another government in another period, would have much more substantial effects than this legislation is having. Surely what was expected was something like the measures that are being taken by the small businesses administration in the United States to which the Prime Minister referred when he made the promises on which this legislation evidently is based, or which this legislation is supposed or presumed to be fulfilling. When he replies I hope the minister will tell us whether the government has given any consideration to a much broader approach to this whole problem than the miserable approach that is made in this puny amendment to legislation which is not really accomplishing what everyone a year and a half ago had such high hopes it might accomplish.

In the United States, of course, many devices are being used for providing capital for small business. For example, there are small business investment companies.

Mr. Martin (Essex East): There are 21 different projects.

Mr. Pickersgill: My friend the hon. member for Essex East, who has made a real study of this matter, points out that there are 21 different projects.

An hon. Member: You have not made a study of it?

Mr. Pickersgill: I do not pretend to be an authority on the whole field. However, I pretend to know something about what is going on in Canada. I also know something about the number of loans being made under this legislation in Canada. That information has been given very reluctantly by the government. I have this circular from the small business administration in October, 1961,

which suggests what I believe looks like a much more promising approach to this problem than is this legislation. It is for that reason, and for that reason only—that I consider this legislation so inadequate—that I venture to suggest to the minister that a more promising measure such as that to which I have referred might be considered. I mean promising in the sense of achieving results not in the electoral field but in the field of the growth of the economy. We know, of course, that many promises seem to be made and forgotten. But the kind of promise I am talking about is the promise of effective results in the development of small businesses. I think that only one conclusion can be drawn from the few facts that we have been able to elicit from the minister and the brutal fact of the small number of loans, namely that this measure is all right as far as it goes but that it does not go nearly far enough to meet the big problem which the Prime Minister, when he was not in the government, promised to do so much about in 1957.

Mr. John R. Matheson (Leeds): The hon. member for Bonavista-Twillingate (Mr. Pickersgill) referred to some of the promises that were made in 1957 with respect to this group of citizens, namely the small businessman. In Brockville, on May 8, 1957, according to the *Globe and Mail* of May 9, we have this quotation:

> The small businessman—manufacturer and independent retailer—has been all but forgotten by the federal government, the Tory chief charged . . . Canada, Mr. Diefenbaker's statement said, is a country of small businesses. Of the 37,400 manufacturing establishments in this country, more than 35,000 employ fewer than 100 persons.

There was also specific reference on that occasion and on the earlier occasion of the important opening campaign speech at Massey hall to the type of legislation under the United States program, where the definition of small business is flexible enough to permit aid to be extended to any firm which is small when judged within its own industry. We submit there should be further amendments and more real legislation at this time.

In the second quarter of 1961 the number of business failures resulted in liabilities of $27.7 million, 11 per cent above the same months in the same quarter of 1960. This was an all-time high. Nineteen per cent more firms failed in January, 1962, than in January, 1961, and in this regard I am referring to a news story found on page 22 of today's *Globe and Mail.*

Mr. Lambert: Why do you not give the reasons for the failures?

Mr. Matheson: In answer to the hon. member for Edmonton West I will give the reasons for the failures. The *Financial Post* says that the reasons are primarily three: First, a general slowdown in business. This we cannot deny. The second reason is the high cost of borrowing. This goes back to the reconversion loan and the manipulations that have been going on fairly generally since then as a result of which there has been a build-up of the average cost of interest on all debts from 2.98 per cent prevailing in 1956 to a figure we cannot accurately judge at the present time.

Mr. Fleming (Eglinton): On a point of order, Mr. Speaker, this must be the dozenth time the debate has been out of order and surely we can have some serious attempt made to confine the debate within the proper rules. It has been straying all afternoon. The hon. member is now talking about interest rates in general, about the conversion loan of 1958 and everything else except the principle of the bill. The principle is very simple, whether the permissible purposes for which loans may be guaranteed under the act shall be extended to include removal and relocation of businesses.

Mr. Martin (Essex East): Mr. Speaker, may I say word?

Mr. Speaker: It is not necessary. I cannot accept the objection. It seems to me that hon. member is relating his argument to borrowing by small businesses, which has to do with the provision that is being amended. I would not want to restrict him as long as he does not get into the whole policy of reconversion and so on. It is obvious that would not be in order, but when his remarks are related to borrowings by small businesses it seems to me he is on the point.

Mr. Matheson: Mr. Speaker, I was endeavouring to reply briefly and succinctly to the hon. member for Edmonton West. I mentioned that, according to the *Financial Post,* the second most important item was the high cost of borrowing. This added cost is surely one of the main reasons why there has been an increase in business failures. The third reason put forward by the *Financial Post* is the obvious scarcity of mortgage money.

May I say it would appear that within the last four or five years we have entered into a new period of debt morality, and this has to be taken into account when we are considering the legislation before the house today. So far as the debts of the government are concerned, it is clear there is no earnest attempt to balance the budget. In other words, obviously we have entered into a new phase so far as the problem of meeting the costs of government is concerned. Our biggest business, Canadian National Railways, has a

record deficit, and we do not try to balance the budget in this particular field. We do not try to balance the unemployment insurance fund. The financial position of T.C.A. and our exchange fund are two other areas where we could draw comparisons.

These policies pursued by the government are beyond our understanding. All we can do is to testify that we have witnessed all these things. Why these things are so, I do not know, but certainly this new debt morality in Canada is one of the factors that profoundly affects small businesses which have to borrow, which either have to pay or get out of business. It is as simple as that, and the manner in which the government has pursued its fiscal and monetary policies has had an important bearing on the way small businesses can operate. If our big government undertakings, our railway system, our air line system and so on, are to be permitted to go substantially into debt, I think it is only reasonable to say that the ground root strength of our economy the merchant and small businessman, has got to be supplied with a little more food and water than is contained in this niggardly amendment which certainly will prove a disappointment to a great many people.

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

On clause 1.

Mr. Martin (Essex East): Mr. Chairman, may I ask the minister whether he has had an opportunity to examine the program that the United States has adopted for its small businesses? When the hon. member for Bonavista-Twillingate was speaking he pointed out the program of assistance under the small business administration in the United States. He said there were 21 different projects which the small business administration of the United States had established to assist small businesses. That is the kind of program, as he pointed out, that the Prime Minister assured the Canadian people he would implement in 1958.

All this is reported in the United States government organization manual for 1960-61. Has the minister had an opportunity to read this report? Can the minister explain to the committee why the government has not accepted this kind of program, particularly in the light of the promise made by the Prime Minister? The minister sits there in solid comfort at the moment and I have a great suspicion—

Mr. Fleming (Eglinton): I enjoy no comfort at all, listening to this.

[Mr. Matheson.]

Mr. Martin (Essex East): —that he is not aware of what the United States is doing and perhaps not even aware of what the Prime Minister promised.

Mr. Fleming (Eglinton): Keep on going. You are serving your purpose. It is five o'clock.

Mr. Martin (Essex East): As it is five o'clock I will continue later.

Mr. Fleming (Eglinton): You have served your purpose.

The Chairman: As it is five o'clock it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business pursuant to section 3 of standing order 15.

Clause 1 stands.

Progress reported.

Mr. Speaker: It being five o'clock, the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

CANADIAN BROADCASTING CORPORATION

TELEVISION—REQUEST FOR EXTENDED COVERAGE

Mr. Frank Howard (Skeena) moved:

That, in the opinion of this house, immediate steps should be taken by the Canadian Broadcasting Corporation either directly or indirectly to provide television to those areas and communities in Canada which are presently denied the enjoyment of such services and facilities.

He said: Mr. Speaker, you have just read the proposed resolution, which I am sure will become a resolution in fact if it is voted upon this afternoon. You will note that it is worded in such a way as to be all-inclusive of areas in Canada which do not now have television facilities and services. Even though the riding of Skeena covers practically one third of the province of British Columbia, the people of that riding have no television whatsoever, and I know there are other regions of British Columbia in the same position. The hon. member for Kootenay West (Mr. Herridge) told me a moment ago that he too is interested in this matter for the same reason, and the hon. member for Timiskaming (Mr. Peters) also has areas within his constituency that do not enjoy this modern medium of communication.

I raised a similar subject matter in the first session of this parliament immediately after the general election of 1958. In fact it was on June 3, 1958, that I raised the matter by way of grievance following a supply motion. That, of course, did not allow for any vote being taken as to whether or not it was

desirous for the house to give an expression of its opinion. The motion today asks parliament to express an opinion in a formal manner to the effect that steps should be taken to extend television coverage to all areas and communities which are now denied such facilities.

In Skeena we have an estimated population of some 60,000 to 70,000 people and, if allowed, I shall place on the record figures from the 1958 voters lists to indicate the number of registered voters in some of the major communities. Perhaps it would give an indication to the house of what is involved population wise. In my own community of Terrace we had some 2,000 registered voters in 1958; in the Smithers-Telkwa area there were some 1,500 registered voters. In Burns Lake, and in the areas surrounding it, we had another 2,000 voters. The city of Prince Rupert itself, without taking into account the outlying communities, had some 6,000 people on the voters list. In Kitimat there were about 4,300 and in Ocean Falls aproximately 1,400. All these communities have a number of other small communities surrounding them and they are likewise concerned and interested in this particular question. It is almost a perpetual problem and perpetual conflict between those areas which are heavily populated and those which are less heavily populated.

It seems that no matter what type of service is involved, be it highways, daily newspapers, radio or television, the larger populated areas receive them first. For instance, the lower mainland of British Columbia which includes Vancouver, Burnaby and Victoria, is a small area geographically but it contains approximately one half of the population of the entire province, and it is the area which is given prior consideration in any of these matters. In fact this is almost traditional now, and for that reason I believe that a public body such as the C.B.C. should give extra consideration to the outlying areas, the smaller communities and less populated sections of the country. I believe that public agencies such as the C.B.C. should even bend over backwards to ensure that greater consideration is given to providing such services as television in order to balance the scale between the urban and the rural communities.

As a medium of communication television has been in existence for quite a number of years, but as I said earlier we in Skeena do not as yet have the benefit of it. We hope that things will change shortly. As I say, television is considered to be a great means of communication. It has great cultural advantages; and it has great entertainment value. It is true that it also has certain defects and drawbacks, but nothing is either pure black or pure white. Everything that is good contains a little bad, and vice versa.

We do not believe that merely because we do not have a city with a population of 50,000, 75,000 or 100,000 we should be denied services which many people in this nation receive. The needs and the desires of the people in Skeena are just as great as those of the people in Vancouver. I hope the motion before us will be given the due consideration necessary and will receive unanimous passage in the house in order that those who live in the northern parts of the country will understand that parliament itself has concern for our desires and needs.

Mr. S. J. Korchinski (Mackenzie): It is not very often I agree with the hon. member for Skeena, but on this very point I am in general agreement with the idea he has expressed. My area is very much similar to that which he represents in that it is a big constituency and extends for many miles into the far northern regions.

The idea of a national broadcasting system is one in which the whole nation should participate, but I believe we should realize some of the difficulties in providing television to all areas. Even the royal commission, when it made its study, had this to say:

> However much we regret it, there will probably be more than one and a half million Canadians who will have to rely for their broadcasting service on radio and will not in the foreseeable future be brought within reach of Canadian television.

It goes on to say:

> We do regret it because the value of television in terms of information, entertainment and identification with the rest of the country is greater for people living in remote areas than it is for Canadians in the settled parts of the country.

I think we can safely say that even today, after having radio service for a good many years, some 2 per cent of the people in Canada do not receive broadcasts from Canadian radio stations. Indeed some of the people who live in the far north will tell you they get Russian broadcasts more easily.

Even though television is a relatively new service in Canada we are rapidly approaching the point when 95 per cent of our people will receive it, but from there on I believe it will be a matter of dollars and cents. In my area during the last few years the government has been trying to work as fast as it possibly can in order to provide that service which the hon. member for Skeena says he needs in his area, and which is needed in many other northern parts of the country.

Only a few years ago there was but a fringe service in the southern portion of my constituency. Considering that my constituency runs about 600 miles north and the

fringe reception covers perhaps only 30 miles of the lower portion, one can well understand that it does not serve many people. However, there have been extensions in the last few years. There has been the extension into Baldy Mountain in Manitoba, which has helped many of the people in the southern area and there has also been a steady expansion by the C.B.C. and private stations in the last few years.

Indeed some of the private stations found they could possibly go into the more northern areas of the constituency. As a matter of fact a few years ago the C.B.C. had made application and was prepared to provide service into that area, but because the privately owned stations were willing to do it themselves the C.B.C. withdrew in favour of the privately owned stations, in order that it could conserve funds for areas that privately owned stations could not serve.

I know it is an expensive proposition when one goes into these sparsely populated areas. It is so expensive that for example in the areas around The Pas, which is outside my area, and Flin Flon, which also serves my area, the C.B.C. could not see fit to provide direct transmission because funds were unavailable. In areas such as these you often find that kinerecordings, although perhaps not the best, are accepted.

I can cite examples in my area where within only 20 miles of a signal a community of perhaps 1,000 people will have to go without service until such time as more funds are provided. I think the essence of the whole problem is, where do you gets the funds?

The royal commission reported that in the future there will be demands from areas for two stations. I think this is one factor that should be considered, that before any areas are serviced with two or three stations—many of our residents are serviced to some degree by United States stations, and although this is not the best thing it is not a point of argument—we should service those areas which are without television facilities at the moment. There will be demands in the future from areas which feel that two or three stations can operate quite well and quite profitably, and there will also be demands in the future for an extension of time from those areas which have enjoyed television over the years. This is going to be a factor which will cost money. If there is going to be an extension of time, this will mean that some other areas not now serviced will have to do without television for a longer period. There is also the possibility that the near future will see the advent of colour television.

These are factors at which we must look very carefully, and before we provide these additional services to those areas which are presently serviced and have been serviced for a good many years we should be very careful about what our policy is going to be and we should be sure that areas that are not serviced do receive some form of television entertainment.

I have taken a few figures from the Fowler commission report and I would just quote three years for which that commission forecast net operating expenditures in this field. They expected that in 1958 the net operating expenditures for radio and television would be approximately $44 million; for 1959, $50 million and for 1960, $55 million. However, the government's estimates for those years were $51 million, $58 million and $62 million. They estimated the capital cost to be $10 million in 1958, $14 million in 1959 and $13 million in 1960. However the government's estimates for those years were $8 million, $9 million and $7 million.

In other words, what I am trying to point out here is that as a result of added operating costs, capital costs have been sacrificed. I think one should look at the operations of the C.B.C. and see that some of the capital expenditures are not sacrificed because of added operating costs. In general I would say that the people of my area want me to support this resolution.

Mr. H. M. Batten (Humber-St. George's): Mr. Speaker, I think this resolution will affect a great many people across this country. Because of this I hope that within the short time allotted to its discussion we will be able to come to some decision.

I have before me very detailed information concerning quite a few places in Newfoundland. I am not going to take the time of the house by putting it on the record now, because as I said before I hope that before the hour has expired we will be able to come to some decision. I do feel, however, that since television is in large measure a public service, people living in smaller areas have the same right to expect television service, within reason, as those who live in the more thickly populated areas. I am sure that across this country there are many places that are now not served by television and yet within these areas reside a large percentage of the population of Canada.

I bring to the attention of the house the example of the town of Deer Lake in my own province of Newfoundland. Deer Lake and the surrounding territory has a population of 10,000 people. It is only 30 miles from the larger city of Corner Brook. Corner Brook is a city serviced by television, and yet 30 miles away a town with a population of 10,000 people is not able to receive this public service.

On a number of occasions I have brought to the attention of the house the question of television coverage for Deer Lake. There have been numerous pieces of correspondence on this matter, but so far the service has not been provided for this town. I hope that if this resolution is passed consideration will be given to the justifiable demands which are being made by the people of this important town on the west coast of Newfoundland.

I also bring to the attention of the house a television station which is now being operated at Stephenville, Newfoundland. The station itself and the equipment is owned by the United States forces at Harmon Field, while the station is operated by the Canadian Broadcasting Corporation. Three or four years ago this station was able to serve all the people who were then receiving electric power. Within the last two or three years great strides have been made in this area in extending electric power to many more settlements, and the station at Stephenville is now not able to service all the homes capable of receiving television if such a service were provided. I would hope the time will not be too distant when the station at Stephenville will be either enlarged or relocated so that the service the station provides will have greater coverage than it has today.

In the southern part of what is known in Newfoundland as the Ste Barbe district there is a fairly densely populated area known as Bonne Bay. These people, too, have no television service. I would hope that within a very short time these people will also be able to receive the benefits which come from television broadcasting.

My hon. friend from Grand Falls-White Bay-Labrador, who is not in the house today because weather conditions have prevented him from returning to Ottawa, has given me a message asking me to state his case for Labrador. In Labrador at the moment there is only one television station, and it is at Goose Bay. Certainly, in this great area other stations are necessary so that service may be provided to all the people concerned.

My hon. friend from Burin-Burgeo, who realizes that in this debate not many people are going to have an opportunity to speak, has asked me to refer to the number of occasions on which he himself has called attention to the need for television coverage of Port aux Basques, Grand Bank and the south coast of Newfoundland. There are in Newfoundland today many places which might well enjoy the advantages which come from television broadcasting and I hope that if this resolution receives the approval of the house these benefits will be brought to the people living in the areas I have mentioned.

Mr. M. L. McFarlane (Kootenay East): First, I would like to take this opportunity to congratulate the mover of this resolution. I feel it should be allowed to go through. This is something to which a great many people in my own district have looked forward for a number of years.

Before entering upon my talk on this matter I should like to congratulate the Canadian Broadcasting Corporation upon the installation of radio stations in the Lake Windermere valley in my area. The residents of this area have been endeavouring over a ten year period to get C.B.C. station programs, programs produced in Canada. Until the installation of the booster last year they were unable to get C.B.C. programs of any kind. This installation was the culmination of many years of effort by boards of trade, chamber of commerce and many other organizations and individuals in the valley. It is fortunate that this government took action at least to provide radio reception, late as it was. It would certainly never have been installed under the previous administration. However, during the period in which the local people in the area were endeavouring to obtain radio reception, television entered the picture. I should also like to mention that at the present time we have a television satellite in the area which will serve a great number of people. We do not know at the present time how many people this will serve, but we feel the coverage will be fairly extensive. However, due to the rocky terrain of the Rocky mountain area in which I live, complete coverage has become impossible with our present facilities.

During the past few months I have been endeavouring to review the work of the C.B.C. and also to study the numerous applications for television services in Canada which have been granted. I find that preference is being given to the larger centres while the rural areas are not getting the consideration that they should be getting. In these days television is not a luxury; it is essential to our way of life, and I suggest that immediate consideration should be given by the minister to the expansion of this television service. A large number of departments and members of parliament have been in receipt of briefs from rural constituencies all over Canada requesting the installation of television satellites to make it possible for people to receive programs without the necessity of installing expensive equipment such as wiring, and having the programs piped in.

I should like to call the attention of the minister to the fact that the installation of television facilities for the larger centres is paid for out of public funds and that the

rural taxpayer contributes heavily to these funds. Therefore, I strongly recommend that before any more applications from the urban centres of Canada are approved, consideration should be given to the installation of television programming for the rural areas. My own area of East Kootenay, as I mentioned, is situated in the heart of the Rocky mountains where television and radio reception is unpredictable. Some of our towns are situated in the valleys and others on the sides of the mountains. A few areas are still without these services. Lake Windermere and the Golden area in the upper end of my constituency have been endeavouring for a number of years to obtain this type of service. In the Fernie area we are fortunate, in one or two cases, to be able to receive programs from the United States, but I think we should develop the distribution of Canadian programs of particular concern and interest to our people. The rural areas are suffering badly from their lack of ability to receive Canadian television.

Mr. H. W. Herridge (Kootenay West): I am delighted to rise and support this resolution which has been moved by the handsome, capable and industrious member for Skeena (Mr. Howard). Before proceeding I want to compliment the hon. member for Kootenay East (Mr. McFarlane) for his completely non-partisan approach to this question and his willingness to support a resolution, moved by a member of this group, which has application all across Canada.

Before going further, I wish to bring to the attention of the house the excellent work that has been done by the hon. member for Port Arthur (Mr. Fisher) on the radio broadcasting committee with particular reference to this problem and its application across Canada. No one can accuse the hon. member for Port Arthur of being parochial in his approach. I say he has a universal approach to this question and, on occasions, almost a cosmic point of view.

This is a serious problem to numbers of small towns in my constituency. For a number of years I have been urging the government to give effect, through the C.B.C., to what is the spirit and purpose of this motion. Although our larger areas are now served by the C.B.C., including the city of Trail, Rossland and adjacent areas, besides Nelson and the surrounding areas, there are still a number of small communities which are denied the opportunity of receiving C.B.C. programs—the news, music, theatre, ballet and all the other interesting television fare provided by the C.B.C. Because the larger centres now have the opportunity to enjoy these programs, there is naturally an increasing demand by these other communities for service. We have an area on the west arm of the Kootenay lake which includes Balfour, Procter, Ainsworth, Kaslo and intermediate points which is not served. We have Boswell, Gray Creek, Crawford Bay, Lardeau and Riondel. We have an area around Castlegar, Edgewood, and a considerable area around Slocan city. Residents of these communities and organizations in these centres have written to me consistently in the last two or three years urging consideration of their needs in this respect. To give the house an indication of the type of letters which have come to me, I should like to put on record a letter I have received from Mr. Cyril F. Fitchett who has been very active in travelling around the mountains with officials of the C.B.C., so that when the officials come in to make surveys there need be no unnecessary amount of travelling on their part. I will read what his letter has to say.

Under date of December 22, 1961 he writes as follows:

> Dear Sir,
>
> I wish to make a request regarding t.v. reception in this area.
>
> I would appreciate anything you could do to bring C.B.C. television to this district. Unfortunately we are unable to receive any signal from C.B.C. or U.S.A. outlets. I feel we are missing an important part of Canadian life with regard to education, sports, world affairs and drama, in which my wife is particularly interested. She has had, on several occasions, notices mailed to her from C.B.C. t.v. announcing forthcoming drama events and in order to view them we have to drive 20 miles to Nelson, our nearest centre, and impose upon friends. I believe a repeater station is being installed in the Cranbrook area this coming year. Would it be possible to have something similar to serve the people of the Kootenays?
>
> The newly installed radio repeater station at Procter is a great improvement to our reception and I wish to thank you for your help in this regard and for any help you may be able to give us with t.v. service.
>
> Wishing you and your family a happy new year,—

—and so on.

I mention that because it indicates the interest in the C.B.C. and the desire to obtain service. What this gentleman says is repeated in dozens of letters from people who appreciate the low power relay transmitter station for radio which was recently installed and would now like to receive C.B.C. service.

I have taken up this matter with the minister and discussed it with him on a number of occasions. He has been very sympathetic to the problem. We understand from the present debate that it is not a local problem. There are numerous areas in Canada which wish to receive a similar service. I discussed it with the vice president of the C.B.C. and I have written him about it. I have also discussed it with regional officers of the corporation in

Vancouver, with engineers and technicians who have a thorough understanding of the district. All have expressed sympathy with the circumstances that exist and are anxious to do what they can. To that end surveys have been made as to the population, where the repeater stations could be installed, what the approximate cost would be, and so on.

In that connection I wish to quote from a letter I recently received from Captain W. E. S. Briggs dealing with the policy of the corporation which will facilitate the dissemination of the information. Under date of February 13, 1962 he writes:

Dear Mr. Herridge:

This is in reply to your letter of January 30th, 1962, concerning television service for the electoral district of Kootenay West. I believe that a statement of the policies and regulations governing the corporation's program of extending its television coverage would be of assistance to you.

And it has been.

In carrying out its program of extending television coverage, the corporation has made a survey of all unserved areas in Canada. The policy presently in effect dictates that service will be provided on a priority basis to areas where the greatest number of people can be served at the lowest possible cost. The corporation believes that this policy allows the most economical and equitable use of the public funds involved.

A continuing review of all unserved areas is maintained and the priority lists are adjusted from time to time as new information becomes available. As a result of new information provided by the 1961 d.b.s. census figures, a major review is under way of all the unserved areas in Canada.

In regard to the Kootenay West district, you are aware that the corporation presently owns and operates low power radio transmitters at five locations within the district, at Kaslo, Procter, New Denver, Castlegar and Slocan, which provide the C.B.C. national radio network service to these areas. As part of our continuing coverage expansion, an application for another L.P.R.T. in the Kootenay West electoral district, has been filed with the Department of Transport, to provide service for the community of Nakusp.

In case hon. members do not realize it let me say that is my home village. I notice that the Minister of Justice is listening with much interest. I continue:

The C.B.C. national television service is presently being provided for your district by means of C.B.C. owned and operated television stations at Trail and Nelson. Investigations into the possibility of extending this service to other areas in the district, such as Procter and Balfour, have been conducted by our engineers. At the present time, the area of Castlegar is receiving further detailed engineering investigation and preliminary reports appear encouraging for development of a C.B.C. television station for this community.

The corporation has carefully studied the question of monetary participation with private groups in the development of radio and television stations and has concluded that such a policy could not be successfully adopted.

I might say that the community of the Arrow lakes collected money through the community television society, installed equipment on Saddle mountain and is able to receive C.B.C. television service from Kelowna. Several thousand dollars was collected. This was the result of local effort. Other communities cannot do that because the expenditure is larger and the equipment required more intricate and expensive.

As far as regulations are concerned, I am sure you are conversant with the procedure adhered to by the corporation in establishing broadcasting stations. After preliminary investigation of a particular project, the project must receive approval from the C.B.C. board of directors. Following this, detailed engineering studies are conducted and an application submitted to the Department of Transport. The application would then be forwarded to the board of broadcast governors and heard at a public meeting. If recommendation for approval was forthcoming from the B.B.G., it would go forward to the governor in council, who in turn, assuming approval, would issue an order in council to the Minister of Transport for authorization of the station. Only after receiving authority from the minister to establish a station, can the corporation make any commitments for the provision of network service or the purchase of land or equipment. If the equipment to be provided is in excess of $100,000, an additional order in council would be required.

Very frequently, delays of six to 18 months are encountered in the delivery of network service. Because of the corporation's policy to "buy Canadian" whenever possible, and because the specialized equipment required generally has to be especially fabricated, a delivery schedule of nine to 11 months is usually experienced.

In connection with the possibility of providing television service to the Arrow lakes region, the outlook at present does not appear encouraging. Because of the relatively small concentration of population within any one particular service area, the very rugged terrain and the estimated high cost of network service, the corporation does not presently have any immediate plans to provide television service to this area.

However, as the national service expands and technical advances are made on equipment particularly suited for small coverage areas, the possibility of bringing service to areas such as the Arrow lakes region offer some promise for the future.

I trust that this somewhat detailed description of the policies and regulations governing the corporation's program of extending television coverage, will be of some assistance to you in clarifying inquiries which may arise.

I quoted that rather lengthy letter because I thought it would be of interest to many people including some hon. members who are taking part in this debate to have an understanding of the procedures of the C.B.C. and the difficulties and regulations with respect to "buy Canadian" and so on.

I am pleased to say that since receiving the letter I have heard that the situation is being reviewed in these areas to determine whether there is some way of providing service at a lower cost than was first estimated. I appreciate the attention of the officials to the problem that confronts the people I represent.

Request for Extended T.V. Coverage

I represent a large productive riding the chief industries of which are mining, lumbering and to a lesser extent agriculture. That means that this government or any government receives considerable revenues in the form of taxation. I believe these people are entitled to receive every consideration particularly since they live in isolated places and are producing the raw materials required to maintain our export markets. All these people are anxious to enjoy Canadian news and Canadian programs in general, including music and drama.

In concluding my brief remarks, therefore, I wish to support all other hon. members who have participated in this interesting debate and urge that every consideration be given by this government to the requirements of the persons who live in the outlying districts and small communities. They should be treated as fairly as those who live in the larger centres.

I know another hon. gentleman behind me is very restless and wishes to participate in the debate, so at this point I will conclude my remarks.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I should like with the consent of the house, to intervene in the debate for just a few minutes. I do so because several hon. members who have spoken come from the province of British Columbia. I refer to the hon. member for Kootenay West (Mr. Herridge) who has just taken his seat, the hon. member for Kootenay East (Mr. McFarlane) and the hon. member for Skeena (Mr. Howard). I recognize the interest of members from the interior portion of British Columbia especially in a resolution such as this one which urges that the Canadian Broadcasting Corporation should provide greater television facilities to those areas and communities in Canada which are now denied the enjoyment of such services and facilities.

It was indeed in recognition of the fact that there is a lack of television and radio service in the less heavily settled areas of my province, just as is the case in Canada generally, that it was my pleasure shortly after this government took office and after the Broadcasting Act had been amended, to recommend that there be appointed to the board of directors of the Canadian Broadcasting Corporation, a person from the interior area of British Columbia.

I should like to pay tribute to Mrs. R. L. Carter of Salmon Arm for the work she has done as a director of the C.B.C. in successfully urging upon the corporation as a director a considerable number of extensions of services. Indeed, I was discussing with her here in Ottawa recently, on the occasion of the last meeting of the C.B.C. board of directors, just what was the situation in British Columbia. She gave me some particulars which I regret I have not here with me. She assured me that in the matter of extension of C.B.C. facilities, our province of British Columbia is certainly on an equal footing with if not ahead of any other province in Canada. I am speaking of the situation over the past four years. I observe my friend the hon. member for Kootenay West nodding agreement.

I know that other members from British Columbia would agree with me that we have been well served in recent years in connection with the extention of facilities. While saying that, however, I recognize the fact that there is still a need to be filled.

I assure my hon. friends and the house that the British Columbia representative on the board of directors of the C.B.C. also recognizes that fact. I can assure at least those members from British Columbia that, in addition to myself, our provincial representative on the board of directors will note with great interest what has been said here as the genuine need for extended services. I shall be glad to make sure that it comes to her attention. I am certain that in it she will find further support for her continuing efforts to persuade her fellow directors of the C.B.C. to meet the very real needs especially of those portions of our province outside of the lower mainland area.

Mr. J. A. Habel (Cochrane): I do not wish to take much time of the house as I hope that a vote can be taken on this motion. Part of the riding which I have the honour to represent in this house is well served by the Timmins station. On the other hand, we have very little French programming. Owing to the fact that the microwave system covers the entire riding from east to west, it is felt—and I think it is only fair to do so—that it should be possible, at rather fair cost, to have installed at two different points satellites which would not only serve the communities along the first trans-Canada highway, namely No. 11—we like to boast about it because it was the first trans-Canada highway ever opened—but also the lumber camps which operate nearly the year around. It would also provide French programming through the C.B.C. French network which, after all, would serve a fairly sizeable part of the population of the riding I represent. I understand that the Ontario Northland Railway have in mind the installation of the microwave system from North Bay to Moosonee, or the extension of it right on to Moosonee. There also it would be an improvement for those people in that far distant area to be served by television as well.

I hope that this motion will be considered and voted on before six o'clock.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, this debate permits me to raise briefly a problem which has been touched on by other hon. members. It relates to satellite or translator stations in areas which are not properly served by any television station. The problem is pointed up by two areas in my riding, one of which is at Parry Sound town. There the situation was corrected because there was a sufficiently large population to permit a private operator to come in and set up a translator or satellite system economically, to the point where he could justify additional advertising charges by the additional number of homes he could reach. Therefore, in this particular case a private station operator was able to come in and economically instal at his own expense a satellite station for the benefit of the local people.

There is another area which is not quite so fortunate. I refer to Huntsville which is situated on the fringe of at least three stations, none of which gives proper service to a large portion of the area. The problem I wish to mention is this. The private stations can afford to set up a satellite only if they economically can raise their advertising rates to national and international advertisers. If they are trying to give service to a sparsely settled community with perhaps a large area, they hesitate to set up any kind of translator or satellite station because it is not worth their while to do so. If it were a C.B.C. station, the C.B.C. could set up such a satellite, as apparently economic operation is not a primary factor and certainly that is the situation in many locations—but where the primary factor is merely that of providing service to local residents. I believe that some assistance should be given to private television stations in setting up such a satellite. If the private station makes a survey and finds that it cannot do this economically, I think the people who are served by a private station should not suffer because they do not happen to be served by a C.B.C. station. In such a case I think that revenue should not be the prime factor. This is the case in Huntsville where there is no C.B.C. station from which a signal could be received and magnified. The people there have only private stations and none of those at the moment has indicated that it is prepared to go ahead with a satellite.

We are very hopeful that the Barrie station, which is looking into the matter, will eventually do so. However, this did point up one basic difficulty. If a private station has a particular area under its wing it must put in a satellite on an economic basis. On the other hand, if the C.B.C. has an area under its wing it can set up a satellite station at the public expense. Therefore I believe that in such situations some assistance to the private stations should be considered.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I know that the hon. member for Churchill (Mr. Simpson) wants to make a few remarks so I will put what I wish to say in brief form. I was very puzzled by the remarks of the Minister of Justice (Mr. Fulton) in this debate. The gist of them seemed to be that if the lady from Salmon Arm who is on the C.B.C. board of directors is made cognizant of the situation we may get some better development for the future. There is nothing wrong with this, but it would seem to me that it overlooks the part played by a number of members of parliament of all parties, not the least of whom are the hon. member for Churchill and the hon. member for Iles-de-la-Madeleine (Mr. Keays), in bringing personally to the Canadian Broadcasting Corporation and its senior executives what the problem is.

As I see it, Mr. Speaker, the plain fact of the matter is that we will get an extension of television into the areas about which all of us have been talking when and if funds are earmarked specifically for this purpose and when the whole concept of per capita and per household is put aside for a planned development over five years, let us say, that will attempt to bring television coverage to all those places that are without it. Frankly, the argument of per capita and per household makes very little sense to the people who do not have television. All they know is that they are taxpayers and that extensions are being made in other parts of the country.

This government took the initiative in allowing private television to develop, and in that regard I simply say that we know and recognize that private television will have no part in providing television to those sectors of the country that are asking for it because there is no money in it for them. The Canadian Broadcasting Corporation has to do the job, in the main, of bringing television to such areas except in the odd, very rare situation where a private station might be closer to an area that is not served. Given this kind of situation, the decision has to be made by the Canadian Broadcasting Corporation as to the amount of money that is going to be spent. Quite obviously the corporation will not extend their budget to the degree that hon. members are talking about and would like because the corporation feels that it is too expensive. I suggest that it is the government's role, and this is not interference for after all the treasury board

does go over the C.B.C.'s estimates—earmark specifically an increasing amount of funds to do the job that all of us here recognize needs to be done.

Finally, Mr. Speaker, I cannot help saying that I find it regrettable, and I think other members do also who have this problem of communities without television, that in most parts of Canada television is considered to be a much greater need and more desirable than even welfare legislation, government action with regard to unemployment or government action in developing an area in an economic way. It is rather sad that Canadians as a whole give television that high a rating. But these are the facts of the situation and they constitute one of the reasons why I, along with other members who have big hinterland areas to look after with populations scattered in small nodal points, very much wish and hope that the government will support this resolution and do so to the extent of providing more funds to the Canadian Broadcasting Corporation specifically earmarked to extend coverage without this formula business that can drag on and on for years, and under which those of us who are outside the corporation have no real understanding and comprehension when our areas are going to get television.

Mr. W. C. Henderson (Cariboo): Mr. Speaker, I have a big town in a big district that needs television. There is television all around there but this town does not have it. There is television at the minister's town, Kamloops, and also at Williams Lake, Prince George, Barkerville, which is a suburb, and Wells. I had a letter yesterday from the mayor of Quesnel. These people have been beaten off in their efforts and there has been interference by different parties. The people there want television. They can get it for $12,000 by means of a satellite station but they do not think they should. I have an appointment with Dr. Stewart of the board of broadcast governors to put the claim of these people before him.

Quesnel is one of the oldest towns in British Columbia. It was in existence in the Cariboo in the gold days and it contributed piles of wealth to the government. Therefore I think the people there are entitled to television. There is no reason why they should not have it. They think there is something "screwy" when they cannot get television. This is one of the oldest places in British Columbia. There is no trouble in getting television elsewhere. The people of Kamloops and Prince George have it and I think Quesnel should have it. There is not much more I can say. I cannot pound it out of the government, but Quesnel is one place that should get television.

I have a long letter here and as I have a couple of minutes left I might read some of it. It reads as follows:

Dear Gus:

You probably will not be surprised to hear from me on the subject of television for Quesnel. You are aware that Williams Lake has "live" television which they obtained by extension from the Kamloops television station. To the north, Prince George has television supplied by CKPG, Prince George, B.C.

About two weeks ago I phoned the manager of the Kamloops television station and asked him if he was interested in bringing television to Quesnel. He replied that he was and that it was entirely feasible from an engineering standpoint. The cost to our town would be approximately $12,000. This expenditure would be necessary because of added antenna, etc. to boost it from Williams Lake to Quesnel. I would like to make it clear at this point that Quesnel wants television quite badly, and "live" television such as Kamloops can supply.

However, since then I had occasion to call Kamloops again and between my phone calls CKPG television, Prince George, has contacted Kamloops and asked them if they were interested in bringing television here. Kamloops replied that they were and CKPG replied they were also interested in bringing television here. Prince George further advised Kamloops that the Department of National Defence or the Department of Transport were putting microwave in immediately between Kamloops and Prince George. Because this was under defence it was supposed to be highly secret. However, Gus, I would like you to find out from from either of these departments if this is correct, that is, are they bringing microwave from Kamloops to Prince George and if so when will it be in operation. Once microwave is in, I am told, C.B.C. can get on it and we can have "live" television without any $12,000 cost.

Mr. Speaker: Order. The hon. member has only enough time left to say who wrote the letter.

Mr. Henderson: This is from the mayor of Quesnel, Alex Fraser.

Mr. Speaker: The house will now revert to the business which was interrupted at five o'clock.

SMALL BUSINESSES LOANS ACT

AMENDMENT RESPECTING BUSINESS IMPROVEMENT LOANS

The house resumed consideration in committee of Bill No. C-49, to amend the Small Businesses Loans Act—Mr. Fleming (Eglinton)—Mr. Martineau in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Martin (Essex East): Before the adjournment I had expressed the hope that the

minister was familiar with what they had been doing in the United States in their small business administration. I had suggested it would be worth while noting certain acts which the administration was empowered to do to assist small businesses.

It is empowered to provide financial counselling and to lend to small business concerns to finance plant construction, conversion or expansion, or to finance the acquisition of equipment, facilities, machinery, supplies, or materials, and to supply such concerns with working capital. It is empowered to lend to groups of small business concerns for the purpose of establishing facilities in and through such corporation to produce or secure raw materials or supplies.

It is empowered to make loans to assist small businesses which have sustained substantial economic injury resulting from drought or excessive rainfall. It is empowered to determine what business enterprises shall be designated "small business" concerns with respect to government procurement, lending, disposal of property, and allocation or distribution of materials, or supplies.

The administration is empowered to certify to government procurement officers as to the productive and financial ability of a small business concern to perform a specific government contract. It is empowered to enter into joint determinations with the procuring agencies to set aside for exclusive award to small business concerns the whole or part of government contracts. It is empowered to consult with other government agencies in connection with their issuance of orders or in the formulation of policies affecting small business concerns.

The administration is empowered to approve small business defence production pools to enter into government prime contracts and sublet their performance to small business concerns. They are further empowered to encourage letting of subcontracts by government prime contractors to small business concerns. They are empowered to provide technical and managerial aids to small business concerns, and to inventory productive facilities of small business concerns. They are empowered to consult with government agencies to ensure fair and reasonable treatment for small business concerns.

It is empowered to ascertain and co-ordinate the means whereby the productive capacity of small business concerns can be most effectively utilized.

It is empowered to make grants to state governments, state chartered development credit or finance corporations, colleges, universities, and schools of business, engineering, commerce, or agriculture for studies, research and counselling concerning the managing, financing and operation of small business enterprises.

It is empowered to assist small business concerns to obtain government contracts for research and development. It is empowered to charter and license small business investment companies in order to stimulate and supplement the flow of private equity capital and long term loan funds to small business concerns. It is empowered to make loans to small business investment companies through the purchase of their obligations.

Now, Mr. Chairman, these are some of the things which the small business administration is empowered to do in the United States to assist small businesses. It includes extensions of credit way beyond the terms provided for in this bill and in the act to which this bill is an amendment. It will be seen that what the Prime Minister said in 1957 and 1958 with regard to the plight of small businesses in Canada, and his proposed remedies, as shown in this measure before the house, fall far short of what was promised by the head of the government at that time.

There is no doubt that this is an area in our economy that demands the attention of government. This government has made a start. It has established a small business branch in the Department of Justice—

Mr. Fleming (Eglinton): Justice?

Mr. Martin (Essex East): Rather, in the Department of Trade and Commerce.

Mr. Hamilton (Notre Dame de Grace): That shows how much you know about it.

Mr. Martin (Essex East): There speaks the Solon from Notre Dame de Grace who wandered into my constituency on Friday last and thereby ensured my re-election, for which I thank him very sincerely.

This small business branch of the Department of Trade and Commerce certainly represents a structure that is far short of what the Prime Minister told us his party would do if it were given an opportunity to form a government. Certainly what the government is doing in this measure falls far short of the requests that were made of the government on September 4, 1958, when a delegation representing the distributive trades advisory committee of Canada, a body which represents the retail, wholesale and manufacturing section of small business, approached the government. It falls far short of what they asked the government to do, and what they asked the government to do is not represented by any substantial means in the amendment that is before the house.

This delegation defined a small business as "one with a limited investment that is independently owned and/or employing few people with relatively small sales". The statistics that they produced are relevant to the bill now before us. Unfortunately the minister was not able to give us some of the answers to questions put to him by the hon. member for Peterborough. Those questions are not unrelated to some of the statistics produced in the 1951 census of distribution, which shows the nature of the problem that we face if we really are going to do something to assist small business.

This bill is a misnomer. It suggests that this is not only a measure to provide loans to small business, but by the very use of the phrase "small business" it suggests that the government is embarking upon a wide policy something like that which has been in vogue in the United States now for some time.

But I say the problem in Canada can be ascertained by an examination of the number of retail stores, the number of wholesalers and the number of manufacturers that come within the caption of a small business. We are told that there is one retail store for every 92 inhabitants, one service establishment for every 238 inhabitants, one wholesaler for every 535 inhabitants and one manufacturer for every 378 competitors. We are told that for each wholesaler there are 5.7 retail stores, 2.2 service establishments and 1.4 manufacturers. In all there are some 273,000 business concerns in our country that come under this definition of a small business.

When we recall that this government has provided 3,000 loans totalling some $25 million out of a possible $300 million, we see the inadequacy of the measure now before us. We are told, further, that based on 10 employees or less for retail stores and service establishments, 15 employees or less for wholesalers or manufacturers, 90 per cent in number qualify as small businesses, being approximately 250,000 concerns employing at the peak between 600,000 and 700,000 people, with an aggregate turnover in excess of 30 per cent of all dollar sales; that is $14,404,090,458.

It is partly on these figures that this delegation which called on the government on September 4, 1958 based its claim that small business in Canada was the backbone of our economy. We all recognize that the supermarkets, the discount stores, these corporate enterprises and others provide a challenge and a competition to the small businessman whether he be a wholesaler, a retailer or a manufacturer. If we are going to do something to assist this substantial body of Canadian business people and business institutions, then certainly we have to do more than this government proposes to do in this amendment or what this government has already done in the main bill of which this measure is an amendment.

I note with some interest that in the representations made by this group, known as the distributive trades advisory committee, they asked not only for credit represented by the maximum of $25,000 provided for under this measure, but they asked for other measures to provide needed guidance on many practical problems such as store arrangement, stock control, accounting, advertising and the like. These measures are certainly not provided by this bill or by this government.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member has had 15 minutes of speaking now to establish some element of relevancy of his remarks—

Mr. Martin (Essex East): I am now coming to that.

Mr. Fleming (Eglinton): —to the clause under discussion.

Mr. Martin (Essex East): I am coming to that.

Mr. Fleming (Eglinton): I am speaking on a point of order.

Mr. Martin (Essex East): Oh, you did not say that.

Mr. Fleming (Eglinton): Well, I think it was obvious to all except the hon. member for Essex East.

Mr. Pickersgill: It is customary to be polite enough to say so.

Mr. Fleming (Eglinton): Mr. Chairman, the bill before us has been given second reading and the principle has been approved. It has one clause, and the clause has for its purpose simply the enlargement of a definition in section 2 of the main bill to include within the permissible purposes of loans authorized by the act the relocation of premises.

The hon. member is speaking this evening as though he were debating the main bill; as though it had been introduced. I would respectfully urge, Mr. Chairman, that this wide digression on his part should now be brought to a conclusion and that he should be invited to address his remarks to the one clause now before the committee.

Mr. Pickersgill: Mr. Chairman, before you make any ruling, since I believe this is the first time this particular point has arisen since Your Honour became chairman of committees of the whole house, perhaps I should remind Your Honour of what is generally known as the Howard Green principle as applied to the

first clause of a bill, which was insisted upon often and eloquently by the hon. member for Vancouver Quadra when he sat on this side of the chamber, when he received very frequently the vocal, and I might even say the noisy and sometimes even the rude support of the hon. member for Eglinton.

The principle that the hon. member for Vancouver Quadra enunciated was that in committee, in a rather more informal fashion it had been customary ever since the hon. member for Vancouver Quadra came to this house, which was at the same time as my hon. friend from Essex East, and 10 years before the Minister of Finance came here—

Mr. Fleming (Eglinton): And long before you did—

Mr. Pickersgill: —and long before I did—

Mr. Fleming (Eglinton): —and graced this chamber with your great presence.

Mr. Pickersgill: Though I had opportunities of observing the house while the minister was sitting in the city council. As I was saying, we had the minister's—

Mr. Fleming (Eglinton): Your experience is remarkable.

Mr. Pickersgill: —customary interruptions, which are still going on in a muttering fashion. The principle that was enunciated by the hon. member for Vancouver Quadra was that, in a rather more informal way the general purpose of the bill was discussed, particularly in bills which were not preceded by resolution, on the first clause. I am sure Your Honour would not wish to choke off a tradition which was enshrined by the hon. gentleman who is the senior member of the house on the treasury benches.

Mr. Deschatelets: Hear, hear.

Mr. Fleming (Eglinton): The only tradition that seems to be involved in the present discussion is the one by which the hon. member for Bonavista-Twillingate seeks to run interference for the hon. member for Essex East and delay the proceedings.

Mr. Pickersgill: One must protect the weak.

The Chairman: On the point of order, I am sure that none of the hon. members who have spoken on the point would want the debate to be continued in an irrelevant fashion, and I am sure the purpose of all hon. members is to discuss clause 1 in a relevant manner. I was therefore particularly gratified to hear the hon. member for Essex East say he was just reaching the point of relevancy. I hope he has, and that the discussion will continue along that line.

Mr. Martin (Essex East): Mr. Chairman, I am sure that you hear well, but I do not think you heard me make the precise point which Your Honour made a moment ago. I have not admitted for a moment that what I have said was irrelevant—

Mr. Fleming (Eglinton): You were out of order.

Mr. Martin (Essex East): —but what I sought to imply was that I was now going to deal with something that was more particularly relevant than what I have thus far dealt with. I am sure the Minister of Finance will agree that I have given useful background material to the particular relevancy I am now about to embark on.

The amendment deals, of course, with the conditions under which there will be an extension of further capital made available to small business, and the method of financing small businesses. The brief presented to the government urging the need for a comprehensive small business administration pointed out that an examination of *Dun's Review and Modern Industry* for October, 1957, showed that in the United States 12.4 per cent of manufacturers, 9 per cent of wholesalers, 9.6 per cent of retailers and 14.1 per cent of service establishments were being held back in their growth by lack of capital and financing. I propose to apply these percentages to Canadian figures, but before doing so I should like to make reference to what the minister said when he introduced this amendment on September 15 of this year.

Mr. Fleming (Eglinton): We have not come to September of this year yet.

Mr. Martin (Essex East): Of February, I said.

Mr. Fleming (Eglinton): No.

Mr. Martin (Essex East): The minister must not think that because I say "September" instead of "February" he has won a point. I expect the Minister of Finance to pay attention to the substance and not to details which are of no consequence.

An hon. Member: What substance?

Mr. Martin (Essex East): The minister said, if I may refer to his memorable words as recorded on page 915 of *Hansard*:

> From the inception of the act in January 1961 to the end of last December, 2,977 loans amounting to over $25.5 million were made to small business enterprises. Out of total loan disbursements, service businesses accounted for about one half, retail establishments for about one quarter, manufacturers for about one fifth and the remainder of the loans went to wholesalers.

Then he went on to say that the average size of individual loans was $8,000.

Mr. Fleming (Eglinton): Eight thousand six hundred dollars.

Mr. Martin (Essex East): Yes, $8,600. Then, the total amount lent under this act as of December 31 was $25.5 million. Let us see to what extent these 2,977 loans represent a confrontation of this problem in the context provided for specifically by the credit facilities set out in the main act, and the extent to which they will be expressed in the amendment now before the committee. We are able to do this from the figures given to the government by the delegation which came to see it in 1958. The delegation points out that in Canada there are 151,626 retailers, and that the number needing capital assistance—

Mr. Fleming (Eglinton): On a point of order, Mr. Chairman, your ruling is being cynically defied by the hon. member for Essex East.

Mr. Martin (Essex East): I am making my speech. Is the hon. gentleman rising on a point of order?

Mr. Fleming (Eglinton): Yes.

Mr. Martin (Essex East): I did not know that.

Mr. Fleming (Eglinton): The hon. member says he is making his speech and, certainly, no one else would claim to be making his speech except the hon. member. But Mr. Chairman, your ruling is being cynically defied. The remarks of the hon. member have no relevance whatever to this enlargement of the purpose of the loans so as to include the relocation of premises. He is going ahead in defiance of your ruling and he is discussing the bill as he might have done when the main act was introduced.

Mr. Martin (Essex East): On the point of order, may I say to the Minister of Finance that if I was thin-skinned and sensitive, which I am not, I would take exception to the word "cynical" which is one way of imputing a motive. But I am not going to ask the minister to withdraw that word, because he makes so many observations which are contrary to our rules that one would be engaged all day in asking him to withdraw. I do not intend to do that. Surely, what I am discussing now is relevant. I am indicating, on the question of expanding credit to small business for the particular purpose the minister has in mind in this amendment, that the hon. gentleman is not meeting the problem. I am addressing myself as relevantly as one can to the situation in this country in that regard, and the way I am doing it is by showing the number of retailers, the number of service stores, the number of wholesalers and the number of manufacturers. The estimated number in these categories who need financial assistance to carry on their operation either in the sense contemplated in this amendment or otherwise is surely relevant. The minister obviously has something which he wants to hide, otherwise he would not continually interrupt me and try to prevent me from making this constructive statement.

Mr. Fleming (Eglinton): What about imputing motives now?

Mr. Campbell (Stormont): The only way in which this would be relevant would be if the hon. member was alleging that these merchants required assistance to relocate. A few minutes ago the hon. member for Essex East said he was about to embark on a sea of relevance. Well, he has not even laid the keel yet. He has not even started.

The Chairman: I think that at this juncture the hon. member for Essex East is getting fairly close to the item under consideration so I will ask him to continue.

Mr. Martin (Essex East): I thank Your Honour for your generous understanding of the position in which I find myself.

I had indicated that according to the distributive trades advisory committee which came to see the government, there were 151,626 retailers in Canada of whom 14,566 needed financial assistance. These are not my figures; these are the figures of the persons engaged in these various categories of small business enterprise who came to see the government to suggest what should be done to help it meet the difficulties facing the proprietors of small businesses in Canada. The number of service stores is given as 58,748, and the delegation says that 8,283 in this group are in need of financial assistance to carry on their enterprises. The number of wholesalers is 26,167 and the number of wholesalers who need assistance is 2,355. The number of manufacturers is 37,021 and the number in need of financial or capital assistance is 4,590. To sum up, this means that there are 273,562 retailers, service store operators, wholesalers and manufacturers in Canada, and of this number 29,794 stand in need, in the judgment of this delegation, of the kind of assistance which in part is being provided in this amendment. When the minister tells us in the face of this actual situation—some 29,000, almost 30,000, needing assistance—that the government has to date been able to provide loans only numbering 2,977 and amounting to only $25.5 millions, I say that the government by these very figures presents the answer to our charge that this particular bill and the companion to which it is an amendment is not even meeting the limited

purpose that the measure has in mind of providing for credit to small businesses in certain conditions. This amendment, therefore, affords the opportunity of asking the government either to give to the staff of the small business administration greater assistance to extend the scope of its operations, instead of bringing forward these anaemic bits of amendments—

The Chairman: I regret to interrupt the hon. member but his time has expired.

Mr. Martin (Essex East): I think I terminated at an appropriate moment and I hope I have impressed the Minister of Finance with the strong case I have made.

Mr. Fleming (Eglinton): The hon. member has impressed me just about as much as he usually does.

Mr. Pickersgill: That is a typically arrogant comment on the part of the minister.

Mr. Fleming (Eglinton): The supreme exponent of arrogance, the hon. member for Bonavista-Twillingate, who is arrogance personified.

Mr. Fleming (Okanagan-Revelstoke): Mr. Chairman, after listening to the statistical approach of the hon. member for Essex East I wish to participate in this debate. Rather than adopting a theoretical or statistical approach to the problem I wish to contribute a personal observation as one who since age 15 has participated in the operation of a small business. I do not have either a theoretical or statistical approach to this problem as has the hon. member for Essex East—

Mr. Martin (Essex East): At least I have an approach.

Mr. Fleming (Okanagan-Revelstoke): —but rather one based on personal experience, sometimes a painful experience, particularly during the period in which the hon. member for Essex East was a member of the government.

The amendment before us represents an expansion of the scope of the act, a very useful, helpful and desirable expansion. I assume that as this act continues to be used in small business in Canada other amendments may develop and further expansions of the operations of the act may be introduced as I hope they will be. Because of some of the comments made by the hon. member for Essex East during the last 20 minutes I should like to go back to the period during which the government of which he was a member presided over the business operations of this country.

Mr. Martin (Essex East): That was a time of prosperity.

Mr. Fleming (Okanagan-Revelstoke): The hon. gentleman says that was in a time of prosperity, but I say it was in a time of restriction, restraint and failure.

Mr. Flynn: You did nothing.

Mr. Fleming (Okanagan-Revelstoke): During that time I was a vice president of the British Columbia tobacco and candy jobbers association. The association sent resolutions and appeals, resolutions and appeals, year after year to the government then in office only to have them completely ignored. Nothing was done and no help was forthcoming. No assistance whatever was provided.

Some hon. Members: Shame.

Mr. Fleming (Okanagan-Revelstoke): And yet the hon. member for Essex East blithely rises in this chamber and says that the present government should be doing more.

Mr. Martin (Essex East): Because your party made promises.

Mr. Fleming (Okanagan-Revelstoke): How can he say this when during all the time the government of which he was a member was in office nothing was done by that administration. If he or the government of which he was a member had acted during that period a great many men and women in Canada who now work for large corporations might have been able to continue in their own business. They might have survived if they had received assistance at the time they really needed it. If there had been available benefits such as those available under this act in the years prior to 1957, many businesses not now in existence would still be in operation because they would have had available to them the required credit for capital expansion and equipment purchases that would have assisted them in competing on a more equitable basis with the large corporations against which they were competing.

This is not a figment of the imagination. This is a thing that is known to small businessmen across Canada. Perhaps there is more the government can do in this area. That may be, but at least more is being done now than was done over a period of many years. Certainly nothing was done by the government in office prior to the 1957 election. As I explained, I speak not in a theoretical way but as one who has participated in small business for most of his adult years.

I know there was nowhere to turn in the years prior to 1957. No act such as this was available. There was no directorate under the Department of Trade and Commerce to which small businessmen could have turned for expert advice and service.

Mr. Montgomery: There was no sympathy forthcoming from the government either.

Mr. Fleming (Okanagan-Revelstoke): No, there was no sympathy forthcoming from the previous administration. It may be said there was not even a lack of sympathy on the part of the previous administration but merely a lack of awareness of the very existence of small business. We were too small to be bothered with. As a matter of fact, my family's business began in the year 1935. It was established at a time when certain measures existed introduced by a previous Conservative government, which measures even in those difficult days after 1935 provided an opportunity to small firms such as the wholesale firm my family operates to compete against chain merchants and chain wholesalers, against very large corporations.

Those protections existed for a few years and then gradually the erosion began. Lost were the opportunities to sell merchandise at what are now termed protected prices. This is something that is looked upon with scorn by many people in the country who have never been in business. Under the Conservative government the feeling is at least that a merchant, however large or small, is entitled to a fair return on the sale of his merchandise. It is felt that a merchant should have an opportunity to compete with those with access to immense capital, who can exist through a period of price decline with respect to certain articles or certain types of merchandise, who can ride out the difficulty caused by lack of profit, in the meantime swallowing up their small competitors. Prior to 1935 and for a short time afterwards these protections existed for the small merchant. Under the Liberal administration they were removed entirely. In my own field of business I watched my friends succumbing to the difficulties with which they were confronted—

The Chairman: Order. I must warn the hon. member that he seems to be wandering far afield from the clause under consideration. I trust the hon. gentleman will relate his remarks to this clause of the bill which is limited in its scope. Therefore the discussion must also be limited inasmuch as it must bear directly on clause 1.

Mr. Martin (Essex East): The Minister of Finance did not object.

Mr. Fleming (Okanagan-Revelstoke): I apologize, Mr. Chairman. I allowed myself to stray down the path established by the hon. member of Essex East. I have no hope of overcoming him but I shall now return to the point.

[Mr. Fleming (Okanagan-Revelstoke).]

This amendment provides a further useful expansion of the scope of the act. As I said, other amendments may come in time but meanwhile this will meet an essential need, and I believe during the months to come will provide many more small merchants and businessmen with the opportunity of taking advantage of the legislation, thus contributing even more to the stability and growth of the economy of the districts and towns in which they operate.

Mr. Pitman: Mr. Chairman, I do not intend to make additional extended remarks at this point but I wish to ask one or two questions of the minister. In view of the fact that we have no way of knowing the reasons for the rejection of many people who would appear to come within the legislation, I should like to know where the idea came from for the expansion of this measure which was foreshadowed in the speech from the throne. Who brought this forward? Was it the chambers of commerce or the bankers themselves? Who saw this as a large extension of opportunity under this legislation?

Would the minister also tell us to what extent this amendment will increase the amount which it is possible to borrow through the banks over the next year or so?

Mr. Fleming (Eglinton): Mr. Chairman, the proposed amendment did not come about in the way indicated in the jaundiced approach of the hon. member. It came about through experience with certain persons who had applied for loans for this particular purpose of relocating premises which caused an examination of this question to be made in terms of the existing legislation. That is how the matter came about.

The first view of the act taken was that the terms were broad enough to permit loans to be guaranteed for the purpose of relocating premises. On taking legal opinion on the question, however, the advice was given that the terms of the act were not broad enough to cover that particular type of business outlay. As the desirability of extending the act to permit extension of credit in such cases was in the view of the government very clear, in aid of small business the government decided to place this amendment before the house.

Mr. Pitman: Mr. Chairman, any jaundice which was seen in that question was certainly placed there by the minister. I was just asking where the idea came from.

The second part of my question related to the extent to which the minister expects an increase in borrowing. Does he expect it will be 10, 15 or 20 per cent or more?

Mr. Fleming (Eglinton): No one can make such an estimate, Mr. Chairman. We do know that there are such cases. How many cases there will be and how many loans will be made in such cases, no one can state precisely.

Mr. Regier: Mr. Chairman, I regret very much having to place on record the view that it is most obvious that the minister's memory is very short indeed.

At the time when he first introduced the bill it was our group which advocated that the bill ought to include the purchase of new premises or the relocation of existing premises; and the government went to great lengths, including the minister, to explain to the house why this was not possible. He now tells the house that at the time the bill was introduced into this House of Commons it was anticipated by the government that the bill would cover incidents of this kind. I find it hard to believe that the minister's memory would be that short.

Mr. Fleming (Eglinton): If the hon. member has any occasion to cite anything that was said in the course of the debates on this measure a year ago, I suggest that he read extracts from *Hansard* in order to establish his point. The point that was raised at different times during the debate—and I do not know what relevance this may have to the present item—concerned loans for the purpose of acquiring premises and particularly to provide working capital. The purpose of the bill was not—and this was said repeatedly during the course of that discussion—to provide or to guarantee loans for the purpose of providing working capital. That is a different matter altogether from what is now before us.

Mr. Herridge: I have a very few brief remarks to make and they are somewhat relevant to this amendment. I do not take the same gloomy approach as that taken by the hon. member for Essex East. I remember that for years the small business interests urged the government of the day to pass legislation of this kind. We must recognize the fact that we have an act. However, I think it is our responsibility to improve the legislation from experience. It is in that spirit that I wish to offer one or two suggestions. I have talked to small business people and to bank managers about the operation of the bill. Although I am normally a backwoodsman, I discuss these things with my constituents. I suggest that in some cases bank managers require some instruction as to the spirit and purpose of the act. I think some medium should be found for getting this information out to the bank managers, possibly through the head offices of the banks. I think that situation also needs investigation by the small business branch.

Mr. Fleming (Eglinton): May I ask the hon. member whether he has not noticed a substantial improvement in this respect since the early days when the legislation was in effect? I agree with him that in the early days bank managers, or at least many of them, were not acquainted with the new instructions. It took time for that acquaintance to develop. However, according to my observation and the representations that have been made to me, that stage has been passed and the legislation is now operating relatively smoothly.

Mr. Herridge: The minister is quite correct. There has been an improvement. However, I think there is still room for improvement and I do not think that point should be overlooked. Then, in order for the department or the small business branch to be well informed as to the operation of the act, I think there should be something more than just a statistical report from the bank managers or from the banks to the department. I think the branch should ask for suggestions and some report that would cover their experience where the legislation fails here and there to meet certain situations. I think those reports should be under continuous scrutiny by the small business branch, and that matters of importance should be brought to the attention of the minister. Then I think the recommendation of the banks as a result of the reports of their managers and the recommendations of the small business branch should be considered by the minister, and that annually we should have a somewhat fuller report of the operations under the act, not just a statistical report giving the number of loans, the bare figures. I think we should have a report which gives us a fairly clear picture of how the act has functioned throughout the year and even recommendtaions as to how it may be improved.

Mr. McMillan: I was interested in the words of the speech from the throne where it states:

> Other measures which will help to enlarge employment by stimulating economic activity will include a bill to increase the total amount of financing of exports which can be undertaken by the export credits insurance corporation and an amendment to broaden the scope of the Small Businesses Loans Act.

I think small businesses might be expected to get something more from this amendment. I suggest that this amendment is a broadening of the scope in a most restrictive degree. The amendment can of necessity help very few businesses. After all, there are very few businesses that would wish to move their

offices or some other part of their plant. I admit that in a few cases some businesses might get help. However, in the over-all picture, there will be no help or new enlargement of credit facilities to small businesses in general. The speech from the throne states that this amendment will help to enlarge employment. If this is so, I should like to ask the minister whether he has made any calculation in this respect. I think he should be able to do that. The *Financial Post* of January 27, 1962, had this to say:

Three basic changes in the Small Businesses Loans Act are planned by the government—

I think small business expected this. The *Financial Post* asserts that this was the meaning of the announcement in the speech from the throne that small business would be helped by these amendments. Then it goes on to state that the act was not nearly so effective as was announced here in the house when the government introduced it in November and December of 1960.

They suggested three measures that might be taken to help small businesses in connection with this act. For instance, they suggested that there should be an increase in the loan limit which at the present time stands at $25,000.

Mr. Fleming (Eglinton): Mr. Chairman, we had these irrelevancies this afternoon. They have been repeated now for the third time. Can we not confine ourselves to the clause now under consideration?

Mr. McMillan: Mr. Chairman, I will become relevant. The minister should be able to tell us how much money he expects to put out under this amendment. Previously, when he put it at $300 million he said that within the immediate future $75 million would be taken up. We know that only one third of that amount was taken up in the first year. I think we have the right to have this information and I think I am relevant in asking the minister at this time how much this particular amendment to this act will increase the loan. I think there is every evidence that business needs help. I will close with this observation. We know that business failures increased by 6.6 per cent this last year. Just in the month of January last business failures among small businesses in Canada increased by 19 per cent over those in January of last year.

Mr. Fleming (Eglinton): That fact must have made the hon. member very happy.

The Chairman: Shall clause 1 carry.

Mr. Martin (Essex East): I should like to ask the minister this question. In his statement he said that the maximum amount which may be borrowed by a small businessman is $25,000. Perhaps, that is a provision in the basic act. I forget its provisions. However, how does the minister arrive at the figure of $25,000?

Mr. Fleming (Eglinton): What figure of $25,000?

Mr. Martin (Essex East): In your statement on February 15 you said that the maximum amount which may be borrowed by a small businessman is $25,000 and the maximum period of repayment runs for 10 years. How was the figure of $25,000 arrived at?

Mr. Fleming (Eglinton): If the hon. member will take the trouble to read the original act he will find that is the maximum loan provided by the act.

Mr. Martin (Essex East): My question is, how did the minister arrive at that figure? Why is that figure set as the maximum amount that may be borrowed?

Mr. Benidickson: Mr. Chairman, I think that the question raised by the hon. member for Essex East is particularly relevant because we know that the Prime Minister of this country went across Canada in 1957 and made a great number of promises. I am not going to get into the so-called numbers game with respect to how many have been kept, but certainly one of the promises he made was that he would provide for small businesses laws similar to those that were available to small businesses in the United States. I find that this is a very puny amendment to the act because the Prime Minister said at Campbellton, N.B. on May 4, 1957 that he would fashion his small business assistance act upon that of the United States. He said the same thing in Brockville, that action similar to that followed in the United States should be taken in Canada, and so on. I could give many other examples of what he put before the electorate in 1957.

All we got in 1958 was the setting up of the small business branch of the Department of Trade and Commerce, and it was not until December of 1960 that the Small Businesses Loans Act was introduced. That falls far short of what we know has been available for some years in the United States. In that country even in 1958 they increased the lending authority for a single loan under their small business administration act to $350,000 from $250,000.

There are many other items to which reference could be made. I think particularly of the fact that in the United States legislation there is a maximum rate of interest.

There is no maximum rate of interest in our legislation and it is not provided for in this amendment.

The Chairman: Order. I have been following the hon. member very closely in the hope he would get down to clause 1 of the bill, but he is straying off onto another subject and I would ask him—

Mr. Benidickson: I am saying that clause 1 falls short.

The Chairman: Order. I would ask him to discuss clause 1 of the bill.

Mr. Benidickson: I am discussing clause 1 and I am saying that, having regard to the promises made, it falls far short of what should be in clause 1 because there is no fixed rate of interest. After we conclude the debate on this subject we are going to deal with legislation amending another act, and I am sure the government is going to boast that lending under that act has increased quite impressively. I want to point out to the minister that under that act, which is similar to this one, farmers can go to commercial banks and get loans at a fixed rate of interest that is lower than the normal rate.

The Chairman: Order. I think the hon. member will admit that he is now embarking on the discussion of something else which appears on the order paper and is not discussing the matter that is before the committee. I am sure he will want to co-operate with the Chair so that clause 1 may be considered and nothing else.

Mr. Benidickson: Mr. Chairman, having regard to the wording of the speech from the throne that this measure has something to do with increasing employment and jobs, questions have been asked the minister time and again with regard to the extent to which he thinks this amendment will actually increase jobs. When the original legislation was introduced, with its definitions of entitlement, there was a great deal of fanfare that $300 million of new credit was being offered to the Canadian public. That was in 1960, three years after certain promises had been made; but even in December, 1960 the Minister of Trade and Commerce and the Minister of Finance said that under the legislation as presented to us—we now have an amendment to enlarge the opportunities of borrowing—$300 million of additional credit would be available over a period of three years.

We have had 14 months or so of experience under the act and the total amount lent has been $25 million. What liberality is provided under the amendment now before us? What acceleration is likely to follow if we pass this amendment? When the act was first introduced it was talked about as a $300 million credit measure, but after 14 months only $25 million of credit has been advanced under the restrictive principles of the act. What is likely to be the enlarged volume of credit under the amendment that we have before us?

Mr. Fleming (Eglinton): I have already indicated that no one can make a precise estimate. We have had enough reason to think that there are a number of cases of this kind and we felt this amendment was important enough to be passed by the house.

Mr. Peters: Mr. Chairman, I would be wholeheartedly in agreement with the proposed amendment if there was any assurance or indication from the minister that it would do anything for anyone. We know that the Small Businesses Loans Act has not provided for the business people of this country the opportunity they had hoped to have, and certainly I do not think that the organizations representing the small business people of this country have considered this to be a major amendment when making their annual presentations or one that would warrant the fuss that was raised when it was first introduced this session.

I think there are ways that we can do something. I do not really think that all businesses want to move from the south side of the street to the north side or from the downtown section to the suburbs. I do not think that is necessarily so at all.

An hon. Member: Yes, it is.

Mr. Peters: It may be so in some areas, but I find that development organizations will usually go into the suburbs and build new businesses and they do not particularly ask for government aid. Certainly the pittance that is involved in this amendment would not cover a major-sized suburban development in the hon. member's riding. No doubt he has some subdivisions and the money involved in the small businesses established in those subdivisions would probably be more than double the amount the government is prepared to make available to all small businesses in Canada.

Mr. Henderson: What do you know about running a store?

Mr. Peters: If I were in the business of running a store—

Mr. Henderson: I was.

Mr. Peters: —I would certainly look for more co-operation from governments, particularly this government, than is provided under this amendment. The original act had

some merit. We supported it because we thought it was going to do something, but I should like the minister to stand up and tell us why only $25 million has been advanced under the act when a considerably larger amount was authorized. Why has it not been taken advantage of? Why is the whole $300 million not in circulation at the present time? I think I know the answer.

An hon. Member: Nationalize it.

Mr. Peters: It is a very simple answer, the same answer that has been used in every other case including loans made to farmers and loans made to fishermen, and it involves the interest rate. I believe I am in order and I want to move an amendment to the section as follows:

That clause 1 be amended by deleting the semi-colon at the end thereof and by substituting therefor the following:

"and any such loan under this act shall bear an interest rate of not more than 5 per cent per annum simple interest:"

I believe this amendment will do a lot to enable businessmen, even under this section, to move from one side of the street to the other; or what is probably more in keeping with modern business practice, to move from downtown areas out into the suburbs. I believe this simple amendment will do more to help extend small business loans to the business community than will the first part of this particular clause.

Mr. Fleming (Eglinton): Obviously this amendment is out of order because it is not relevant to the subparagraph which purports to amend the paragraph relating to the definition of "business improvement loan". The amending bill simply proposes to add certain words regarding the possible construction or purchase of alternative premises. The amendment proposed by the hon. member is clearly out of order.

Mr. Howard: If I may reply to the point raised by the minister, it is under section 2 where there is set out certain definitions of what is a "business improvement loan". That is in paragraph (d) which is sought to be amended by the bill now before the house. The amendment proposed by the hon. member for Timiskaming merely clarifies further what is a business loan by referring to the rate of interest which will be applicable to it. I contend it is completely in order and has happened on other occasions.

The Chairman: I think the rule of relevancy applies to any amendment which is proposed to clause 1, as it also applies to the discussion, and I see that in Beauchesne's fourth edition, page 281, the citation 394 reads:

The principle or relevancy in an amendment governs every proposed resolution—

[Mr. Peters.]

I think it is quite clear from what I read in the amendment that the amendment must be ruled out of order because of irrelevancy.

Mr. Peters: I appeal your ruling, Mr. Chairman.

Mr. Fleming (Eglinton): Sheer obstruction.

An hon. Member: Is that done?

Mr. Regier: It has been done before by a man who used a flag.

Mr. Speaker resumed the chair, and the chairman of the committee made the following report:

Mr. Speaker, in committee of the whole when clause (1) of Bill C-49, an act to amend the Small Businesses Loans Act was being considered, the hon. member for Timiskaming (Mr. Peters) moved an amendment as follows:

That clause 1 be amended by deleting the semi-colon at the end thereof and by substituting therefor the following: "and any such loan under this act shall bear an interest rate of not more than 5 per cent per annum simple interest."

I ruled the amendment out of order on the ground that, as the amendment went beyond the scope of the bill as approved by the house on second reading, it was irrelevant to the bill. Whereupon the hon. member for Timiskaming appealed to the house from this decision.

Mr. Speaker put the question as follows:

The question is an appeal to the house from a ruling of the chairman of the committee of the whole who has reported that in committee of the whole when clause 1 of Bill C-49, an act to amend the Small Businesses Loans Act was being considered, the hon. member for Timiskaming (Mr. Peters) moved an amendment as follows: "That clause 1 be amended by deleting the semi-colon at the end thereof and by substituting therefor the following: "and any such loan under this act shall bear an interest rate of not more than 5 per cent per anum simple interest."

The chairman ruled the amendment out of order on the ground that the amendment went beyond the scope of the bill as approved by the house on second reading and was irrelevant to the bill. Whereupon the hon. member for Timiskaming appealed to the house from this decision.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Aiken	Carter
Badanai	Cathers
Balcer	Charlton
Baldwin	Chevrier
Baskin	Churchill
Batten	Clancy
Beech	Clermont
Bell (Carleton)	Coates
Bell (Saint John-Albert)	Cooper
Benidickson	Creaghan
Bigg	Crouse
Boivin	Danforth
Bourget	Deschatelets
Campbell (Lambton-Kent)	Dinsdale
Campbell (Stormont)	Dorion
	Doucett

Drysdale	McGrath
Fairclough, Mrs.	McMillan
Fairfield	Martin (Essex East)
Fane	Martini
Fleming (Eglinton)	Milligan
Fleming (Okanagan-Revelstoke)	Montgomery
Flemming (Royal)	More
Flynn	Morris
Forbes	Muir (Cape Breton North and Victoria)
Forgie	Muir (Lisgar)
Grills	Nasserden
Gundlock	Nielsen
Habel	O'Hurley
Hamilton (Notre Dame de Grace)	Pallett
Hellyer	Pascoe
Henderson	Pickersgill
Horner (The Battlefords)	Pigeon
Kindt	Rapp
Korchinski	Regnier
Kucherepa	Ricard
Lahaye	Rogers
LaMarsh, Miss	Rompre
Lambert	Simpson
Leduc	Small
Macdonald, Mrs.	Smith (Lincoln)
MacEwan	Smith (Winnipeg North)
MacInnis	Southam
MacLean (Queens)	Stewart
MacLellan	Thomas
McBain	Tremblay
McFarlane	Villeneuve
McGee	Webb—95.

NAYS

Messrs:

Fisher	Peters
Herridge	Pitman
Howard	Regier
Martin (Timmins)	Winch—8.

And the house having resumed in committee:

On clause 1.

Mr. Chevrier: While we on this side of the house voted to uphold your ruling, Mr. Chairman, because we were of the opinion that your ruling was the correct one, none the less we were in favour of the principle of the amendment and we should have supported it had it been in order.

Mr. Fleming (Eglinton): The hon. member for Laurier has been in the house long enough to know that those remarks of his were entirely out of order.

Mr. Chevrier: I do not want to discuss the point of order with the hon. and learned member who seems to know everything about the rules but who does not know them nearly as well as he thinks he does. I submit with deference that I was in order in making the statement I did at the time I did.

Mr. Regier: As you have graciously allowed the hon. member who has just resumed his seat to explain his vote, I also should be entitled to say that we voted as we did because we thought that a government guarantee ought to be worth something—

Some hon. Members: Order.

The Chairman: I think this discussion as to why certain members voted in a certain way is irrelevant and I trust that if the hon. member wishes to continue he will discuss the first clause of the bill.

Mr. Pickersgill: Before clause 1 carries, I am sure it will be in order—

An hon. Member: No, it would not.

Mr. Pickersgill: Some kind member over there behind the government front bench suggests that my question would not be in order before it has even been heard. He goes even further than the Minister of Finance, who usually listens to the first half of the sentence before saying it is wrong.

Mr. Benidickson: He usually says "rubbish".

Mr. Pickersgill: I was rising to ask the Minister of Finance whether the government has in fact given any consideration to the point which has been made several times in this debate that these loans, which are made with a limited government guarantee, should bear a lower rate of interest than loans made without a government guarantee—a provision which exists in two similar pieces of legislation which we are to consider later this evening. I should like the minister, if he can, to tell us any reason why this is not being done.

Mr. Regier: On a point of order, I believe the house has just decided that matter and recorded its opinion as to whether there ought to be a limit imposed on the interest rates.

Some hon. Members: No.

Mr. Regier: I believe that after an expression of opinion of that kind the hon. member's remarks are not in order. He is now attempting to apologize for the vote cast by the Liberal party.

Mr. Pickersgill: I presume I may speak on that point of order.

The Chairman: As far as the point of order is concerned, the Chair is not disposed to consider it further. I do not think it was validly taken. At the same time, the rules of relevancy still apply and I trust the hon. member's remarks will be confined to the item under consideration.

Mr. Pickersgill: As a matter of fact, I had concluded the question I was putting to the minister but the last few words were somewhat interrupted by the hon. member's point of order. It was whether in putting this amendment forward the government had given consideration to the advisability of making an express provision at the same time that the rate of interest on these guaranteed loans

would be in fact lower than the rate of interest on commercial loans which bore no government guarantee.

The Chairman: Shall clause 1 carry?

Mr. Pickersgill: I hope the minister will reply.

Mr. Martin (Essex East): Mr. Chairman, the question asked by the hon. member for Bonavista-Twillingate is a perfectly legitimate question. We are not dealing with a decision that has already been taken. The hon. gentleman simply asked the Minister of Finance whether he has given any consideration to lowering the rate of interest which it is proposed to charge in this situation, providing in consequence consistency with the provisions of interest in legislation to be later introduced. Has the minister given consideration to that? That is the question. Surely this committee is entitled to an answer.

The Chairman: Shall clause 1 carry?

Mr. Martin (Essex East): Mr. Chairman, we just cannot be called to order without some explanation. A question has been put to the Minister of Finance.

Mr. Benidickson: Closure.

The Chairman: I shall be glad to furnish the hon. member with an explanation. The amendment that was proposed previously was ruled out of order because it went beyond the scope of the bill and also was irrelevant to the clause under consideration. I would say the same reasons apply to the question that the hon. member is asking the minister.

Mr. Benidickson: Mr. Chairman—

Mr. Martin (Essex East): If my hon. friend will permit me I would say this. Mr. Chairman, would you consider me out of order if I were to ask the Minister of Finance—

Some hon. Members: Yes.

Mr. Martin (Essex East): —if he would give consideration, having in mind this evening's discussion, to bringing in an amendment to the act to which this bill is an amendment, to provide for a rate of interest that would meet the principle of the amendment, a principle which we in the opposition support. That question is certainly in order and I thank Your Honour for saying it is in order. I ask the Minister of Finance if he will give an answer to that question.

Mr. Fleming (Eglinton): Mr. Chairman, it will be a long time before I bring in an amendment to this legislation unless it is strictly necessary in the light of the sheer obstruction offered by the official opposition tonight and their shilly-shallying over the stand they took a moment ago on the appeal from your ruling.

Mr. Benidickson: The retail merchants will be interested in that comment.

Mr. Martin (Essex East): Mr. Chairman, I rise on a question of privilege. This is not the first time the Minister of Finance has made remarks to which we take strong exception. The remark the minister made earlier this evening to the hon. member for Welland—

Mr. Flynn: Mr. Chairman, on a point of order—

Mr. Martin (Essex East): I am now speaking on a question of privilege.

Mr. Pickersgill: There is a question of privilege. The minister used the word "obstruction".

Mr. Flynn: Mr. Chairman—

The Chairman: Order. I suggest to the hon. member for Essex East that if he has a question of privilege he should raise it, but I urge that in so doing he refrain from bringing up matters that have already been disposed of by the house and which should have been raised previously, not now.

Mr. Martin (Essex East): Mr. Chairman, I made no remark that warranted that observation. I am simply saying that the Minister of Finance made an accusation against hon. members of this house which he should withdraw.

An hon. Member: Hear, hear.

Mr. Martin (Essex East): Mr. Chairman, the minister said that what we in the official opposition are doing tonight is obstructing this measure, because we have expressed views that the minister does not like. Because we have sought to improve this bill is no justification for the minister saying that we are engaging in a process of obstruction. We supported Your Honour in the ruling made a moment ago and I ask you now to request the Minister of Finance to withdraw that unseemly remark.

Some hon. Members: Oh, oh.

The Chairman: I do not think that the expression used by the Minister of Finance can be termed unparliamentary. The charge of obstruction is one that is made constantly in this house on one side or the other. Now that the hon. gentleman has raised the point and expressed his viewpoint on it I believe the question should now be closed. I now ask whether clause 1 will carry?

Mr. Martin (Essex East): Mr. Chairman—

Mr. Pickersgill: On a point of order, Mr. Chairman—

Some hon. Members: Oh, oh.

Mr. Pickersgill: Of course hon. members opposite can howl us down if they want to. I was rising on a point of order. I understand Your Honour's ruling to be that it is perfectly proper for one hon. member to accuse another hon. member of obstruction and that that is quite parliamentary. It seems to me that this is such a departure from previous rulings in the house, sir, that it ought to be underlined and recorded as a new departure in this house.

Mr. Flynn: Mr. Chairman, on a point of order—

Mr. Pickersgill: I am speaking to a point of order.

Mr. Flynn: —the hon. member is discussing your ruling and that is completely out of order.

The Chairman: I would say in answer to the hon. member for Bonavista-Twillingate that the Chair does not condone obstruction or anything like it. But this is an expression that is used from time to time. The circumstances in which the expression is used are not such as to justify my requesting the minister to withdraw that particular expression at this time.

Mr. Martin (Essex East): I wish to say this, Mr. Chairman. You say you do not wish to condone obstruction. I simply wish to say to you with great respect, sir, that if there has been any obstruction tonight it has been on the part of the uncommunicative, pouty Minister of Finance who is obviously angered because we in the official opposition have taken issue with some features of this bill.

Mr. Fleming (Eglinton): Pompous Paul.

Mr. Martin (Essex East): Well, Mr. Chairman, the minister says I am pompous. Let me say to him that I would rather be pompous than a pouter.

Mr. Fleming (Eglinton): You succeed in being both.

Mr. Pickersgill: The minister is trying to impose closure.

Mr. Churchill: Mr. Chairman, on the point of order, I think it is important to record in *Hansard* the following sentence to be found in May's sixteenth edition at page 459:

> A charge that a member has obstructed the business of the house, or that a speech is an abuse of the rules of the house is not out of order.

Mr. Martin (Essex East): We decided that a long time ago.

An hon. Member: Two flag Jack.

Mr. Pigeon: It is six now.

The Chairman: Now that we have disposed of various points of order it would be of advantage to hon. members to sit down and hear the hon. member for Skeena.

Mr. Howard: I rise merely to say it is obvious this evening that the Liberal party has extended its principle of two flags and two policies to everything that comes on the floor of this house. Obviously the Liberals desire to appear to be in favour of something and yet against it, depending on which way the wind blows.

Mr. Carter: Mr. Chairman—

Mr. Pickersgill: Mr. Chairman—

The Chairman: The hon. member for Burin-Burgeo.

Mr. Flynn: Obstruction.

Mr. Pickersgill: Mr. Chairman—

Mr. Flynn: You are not the hon. member for Burin-Burgeo. He was recognized by the Chair.

Mr. Pickersgill: I beg your pardon. I yield to my hon. friend.

Some hon. Members: Hurray.

Mr. Carter: Mr. Chairman—

Mr. Campbell (Stormont): Who is obstructing now? The hon. member for Bonavista-Twillingate should apologize to the hon. member for Burin-Burgeo.

Mr. Carter: Mr. Chairman, before the clause carries I wish to repeat a question which I put to the minister on second reading.

Mr. Martin (Essex East): It is futile to do so. You will not get an answer.

Mr. Carter: I would ask the minister whether he could give the committee a breakdown by provinces of the aggregate of loans of $25.5 million?

Mr. Fleming (Eglinton): I will be glad to send the hon. member a breakdown.

Mr. Pickersgill: Get up and answer like a man.

Mr. Benidickson: The minister should not nod. *Hansard* does not record a nod or any other unspoken gesture.

The Chairman: Shall clause 1 carry?

Mr. Benidickson: Is the hon. member going to receive an answer?

Mr. Martin (Essex East): Mr. Chairman, the hon. member for Burin-Burgeo asked a question of the minister. The minister in

reply said he would send the information to the hon. gentleman. Surely the minister has the information now. I ask the minister to let us all have it.

Mr. Pickersgill: The whole committee is entitled to the information.

Mr. Martin (Essex East): Such reticence.

Mr. Fleming (Eglinton): Mr. Chairman, the figures are as follows: British Columbia, $3,324,196.25; Alberta, $2,138,187.85—

Mr. Martin (Essex East): Not so fast, now.

Mr. Fleming (Eglinton): —Saskatchewan, $1,537,497.01; Manitoba, $1,230,264.35—

Some hon. Members: Faster.

Mr. Fleming (Eglinton): —Ontario, $8,056,-142.15; Quebec, $7,372,527.45—

Mr. Bourget: This is a farce.

Mr. Habel: The minister is laughing at parliament.

Mr. Fleming (Eglinton): —New Brunswick, $686,000.55; Nova Scotia, $841,495.00; Prince Edward Island, $204,332.80; Newfoundland, $191,626.00. Total, $25,582,269.41.

Mr. Howard: I have a question for the minister, Mr. Chairman. When the minister was speaking I did not quite catch the figure he used in relation to New Brunswick. Did the sum end with 45 cents or was it 55 cents?

Mr. Montgomery: Read *Hansard* tomorrow.

Clause 1 agreed to.

On the title.

Mr. Benidickson: I have a question that I think is relevant. We have here an amendment which henceforth will permit loans under the Small Businesses Loans Act to be made under circumstances that involve the construction or purchase of alternative premises where the premises in which the business enterprise is located will cease to be available or suitable for the purpose. Having regard to the fact that we have had this legislation for 13 months I ask the minister this question. At what rate of interest have the loans been made? We have been told that in volume $25 million of loans have been made. Have any loans been made at a rate of interest less than 6 per cent? My next question is this. What is the likely rate of interest that will be applicable for loans or to permit business improvement loans to be made for the construction or purchase of alternative premises?

Mr. Fleming (Eglinton): The loan rate prescribed in the regulations. Practically all of those have been made at 5½ per cent.

[Mr. Martin (Essex East).]

Title agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read a third time?

Some hon. Members: Now.

Mr. Fleming (Eglinton): Now, by leave.

Mr. Pickersgill: By leave.

Mr. Fleming (Eglinton) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

FARM IMPROVEMENT LOANS ACT

AMENDMENT TO GUARANTEE LOANS, ESTABLISH LIMITS, ETC.

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Farm Improvement Loans Act to provide for the making of guaranteed loans during the period July 1st, 1962 to June 30th, 1965, and to establish four hundred million dollars as the limit of guaranteed loans that may be made during the new loan period.

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

Mr. Fleming (Eglinton): Mr. Chairman, the proposed amendments to the Farm Improvement Loans Act will serve to extend the operations under this legislation for a further period of three years. Briefly, it is proposed to provide for a new lending period beginning on July 1, 1962 and ending on June 30, 1965. It is also proposed to establish a limit of $400 million on the aggregate principal amount of guaranteed loans which may be made by the banks during the new lending period.

As hon. members are aware, this legislation is designed to make intermediate term credit more readily available to farmers for the purpose of financing a wide variety of capital improvements. To this end the act authorizes the government to extend a guarantee of 10 per cent of the farm improvement loans made by any one bank in a lending period. To limit the government's over-all contingent liability, the act establishes a maximum on the total amount of guaranteed farm improvement loans which may be made by all banks during the lending period.

The act came into force in 1945 and was given a life of three years. Subsequently it was extended through the addition of new lending periods. The first extension was made in 1948 and further extensions were made in 1951, 1953, 1956 and most recently in 1959. The current lending period, which is the sixth

since the inception of the act, began on April 1, 1959, and runs until June 30, 1962. The maximum on the total principal amount of loans eligible for the 10 per cent guarantee was originally set at $250 million and was increased to $300 million in 1953 and to $400 million in 1961. Originally, the maximum amount which might be borrowed by an individual farmer was set at $3,000; this amount was increased to $4,000 in 1953, to $5,000 in 1956 and to $7,500 in 1959. In reviewing the history of this legislation I might also point out that an amendment was introduced in 1959 to extend the act's coverage to include bee-keepers as eligible borrowers. The two amendments which are now proposed will enable the banks to continue their lending operations under the act for an additional three years.

During the post-war years, technological advance and the mechanization of farms have been dominant features of Canadian agriculture. In this process, farm improvement loans have played a major role by providing the farmer with loan funds, on reasonable terms and conditions, for the purchase of machinery and equipment. For example, in 1960 an amount of $58 million, or considerably more than one half of total farm improvement loans, was used for the acquisition of tractors, combines and hay balers. While the lending facilities under the act have been especially helpful to the farmer for purposes of mechanization, additional borrowing in substantial amounts took place in 1960, as in previous years, and covered a broad range of investment projects including the construction of farm buildings, the purchase of livestock as well as other works for the improvement and development of farms.

The annual report covering the operations under the act for the calendar year 1960 shows that the total amount of loans reached a record level of almost $102 million. There was a further increase in lending during 1961 and for this 12 month period more than 70,000 loans were made amounting to slightly over $108 million. No doubt, if it had not been for the drought in the west, the credit facilities under the Farm Improvement Loans Act would have been used to an even greater extent.

I might add for the purpose of providing a broader perspective on the growth of activities under the act, that during the current lending period from April, 1959 to the end of 1961, over 198,000 loans were made amounting to almost $294 million. This is approximately $55 million, or 23 per cent, higher than the amount borrowed during the whole of the preceding lending period from April, 1956 to March, 1959.

I am sure hon. members will agree that this is a gratifying and enviable record. In this, the co-operation of the banks deserves much credit. Progress under the legislation has, of course, been encouraged by the guarantee on loans as well as the steps taken by the government in recent years to enlarge the scope of the act. I believe the soundness of the operations is attested by the fact that out of total lending of over $1.1 billion since the inception of the act, accumulated losses during this period amounted to roughly $1,356,000 of which some $134,000 has been recovered. Thus, the loss ratio is only slightly in excess of one tenth of one per cent of the total of loans made.

In conclusion, I should like to say that the provisions of the Farm Improvement Loans Act have been of great assistance to Canadian farmers in meeting their credit needs. The government's proposal for extending these operations for a further period of three years will I submit contribute to the well-being of our farm population and will help to ensure the development and improvement of Canadian agriculture.

Mr. Benidickson: We are only too happy to agree to the extension for a further three year period of a certain sum of total liability for which the Farm Improvement Loans Act will be available. The minister indicated that the last information in front of members of parliament refers to the calendar year 1960. However, I think some of his statistics embraced some activities in 1961. I hope the minister will indicate when we might have available the report for 1961. For the period of the next three years there will be a guarantee of $400 million rather than the $300 million which was the maximum for the previous three year period.

I have no information whatever as to what happened in 1961. If the minister gave us any statistics relating to 1961 I took it in listening to him that they were included in a three year statistical period. In 1960 the amount of lending was over $100 million. This indicates, of course, how worth while this measure is, which was introduced by a Liberal government as one of many to try to bolster the ordinary economy of the country after the cessation of hostilities that had taken so much of our attention prior to 1945. In 1960 there was a progression of lending to the extent that $101 million was lent under this splendid legislation. It is not intended by this amendment to change the purposes of the original act or to enlarge in any way the opportunities of farmers to borrow. The simple fact is that there has been a rising volume of loans under a stable set of terms. But if $101 million was lent—

Mr. Fleming (Eglinton): May I ask the hon. member a question? Has he overlooked the fact that the ceiling on individual loans was raised to $7,500 in 1959?

Mr. Benidickson: Yes, I am aware of that but I say that this amending legislation does not involve an increase in the ceiling on individual loans. In fact, on two occasions I had the honour of introducing amendments to the act which increased the ceiling.

Mr. Fleming (Eglinton): You did not introduce the $7,500.

Mr. Benidickson: I should say that I did not introduce the bills. In 1953 and 1956 we increased the ceiling on the maximum loan that could be provided. As parliamentary assistant to the then minister of finance I had the honour of piloting the legislation through the house. One additional amendment of that nature was made by the present government in 1959. I acquiesce in that, but there is nothing of that kind in this amendment. I was about to say when I was interrupted that we have no information as to the volume of loans in 1961 unless the minister gives it to us before we pass the resolution, but if in 1960 loans amounted to $101 million is the minister prepared to assure the house that over a three year period $400 million will be adequate?

With the growth that has taken place in farm improvement loans it seems to me that perhaps we should not say that $100 million per year will be sufficient in 1962 or 1963. This legislation, of course, will be operative until June or July of 1965, and I question whether $400 million is adequate. If we have a rate of growth in loans such as we have fortunately experienced, it may become necessary to amend the act again. The amount of losses under this legislation, as the minister has said, has been amazingly low, one tenth of 1 per cent.

Mr. Martin (Essex East): One half of one per cent.

Mr. Benidickson: One tenth of one per cent. It is just fantastic, and a great deal of good has been done by this legislation which was introduced originally by the government of the late Mr. Mackenzie King.

There is a stipulation in the act itself that, because all loans ultimately are guaranteed by the government, the farmer will not be charged a rate of interest higher than 5 per cent per annum simple interest. Despite the fact that we all appreciate and sympathize with the hazards of farming, I say that when the losses have been one tenth of one per cent on over $1 billion lent since 1945 this indicates that with a government guarantee and with the good judgment exercised by the large number of branches of the commercial banks of Canada something of this kind can be done in other fields.

We have not got a fixed maximum rate of interest in connection with housing loans nor in connection with small business loans which we were discussing a short time ago. With this record under this legislation I say that there is something wrong with the fact that we have not got ceilings on interest rates on loans in connection with other segments of the economy such as small businesses.

Mr. Herridge: Mr. Chairman, the members of this group wholeheartedly support this resolution to extend this very sound legislation which provides for medium and short term agricultural credit. I want to bring to the attention of the house the fact that the success of this legislation since it was first introduced in 1944 is clear evidence of the value of representations to governments from farm organizations. The farm organizations both on a national and a provincial scale have made representations to my knowledge with respect to legislation that would provide this type of credit, and for years those representations were made to no avail. With the very orthodox attitude that prevailed at that time there were certain queries as to the soundness of this type of legislation. I think that its success to date indicates two things, first, the soundness, integrity and industry of the farmers who have applied for loans in view of the very small rate of loss and, second, the soundness of the legislation.

Before taking my seat, Mr. Chairman, I want to draw attention to the interesting changing pattern of these loans. The report I have is for the year 1960. This is March, 1962, and I would comment that it seems to take a long time to get these annual reports before the house. However, this is the last one that we have at hand. In 1960 farm implement loans numbered 52,811 and the amount lent was $79,942,352, a very large total which clearly indicates that the larger percentage of these loans was made for the purchase of machinery in the prairie provinces particularly, where they use high cost machines such as combines and so on. Then we come to farm building loans. They numbered 5,196 and the total amount lent was $10,064,490, a considerably smaller sum. We anticipate that in the years ahead the percentage of loans for building purposes will increase in relation to those for farm machinery.

Livestock loans numbered 7,744 in the amount of $9,624,919. That clearly indicates

that the act has been of great value to the producers of livestock. Then we come to an interesting one which I particularly want to draw to the attention of the house. For clearing and breaking lands the number of loans was 608 in the amount of $462,773. In my opinion this is one field in which the act is not being taken advantage of by many farmers to the extent that it could be, because this is relatively a very small amount of loans for a whole year for the purpose of clearing and breaking land. Then we come to improvement and development and miscellaneous purposes. The total since 1945 is $13,360,728.

The Chairman: I regret to interrupt the hon. member but it is ten o'clock.

Mr. Herridge: I have just a sentence or two, if the house will permit me.

The Chairman: Is the house agreeable?

Some hon. Members: Agreed.

Mr. Herridge: I would ask the minister if, in view of the changing patterns, it will be possible to have this act amended so that farmers will be able to borrow under its provisions for forest farm purposes and things of that kind. That is a direction in which there is a demand for at least medium credit and I believe consideration should be given to that demand in relation to other legislation adopted by the house. With those few words I again express our complete support for this measure and our satisfaction that the voice of the farmers was so sound in years past.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what we shall be doing tomorrow and Wednesday?

Mr. Churchill: Tomorrow we shall take the four resolutions in the name of the Minister of Finance.

Mr. Martin (Essex East): Will he be here?

Mr. Churchill: We shall take the resolutions relating to the Farm Improvement Loans Act, the Fisheries Improvement Loans Act, the Crown Corporations and the Currency, Mint and Exchange Fund Act, in that order. No. 5 will be the resolution in the name of the Secretary of State for External Affairs dealing with the universal copyright convention. No. 6 will be Bill C-67 relating to a proposed railway line in the Gaspe peninsula, and No. 7 will be Bill C-38 dealing with statistical and other information relating to the affairs of corporations and unions.

Mr. Chevrier: Would the minister indicate what we shall be doing on Wednesday?

Mr. Churchill: I shall indicate that tomorrow.

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

APPENDIX

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP—SIXTH MEETING—JOINT PRESS STATEMENT

The Canada-United States interparliamentary group concluded two days of discussion in Ottawa today. Twenty three members of the parliament of Canada and 16 members of the congress of the United States, representing all political parties, participated in the discussions. The Canadian delegation was led by the Speakers of the Senate and House of Commons, the Honourable Mark Drouin and the Honourable Roland Michener. The co-chairmen of the United States delegation were the Honourable George Aiken, senator from Vermont and the Honourable Cornelius Gallagher, member of the House of Representatives for New Jersey, assisted by the Honourable Laurence Curtis, member of the house for Massachusetts.

This was the sixth meeting of the group which held its first and organizational meeting in Washington in January 1959. Since that time, meetings have been held alternately in Canada and the United States. The fifth session was held in Washington in June 1961.

The United States delegates were welcomed at the opening plenary session on Thursday, March 1, by the Prime Minister of Canada, Right Hon. John G. Diefenbaker.

Committee meetings were held on both days. One committee discussed defence and foreign policy matters of mutual interest and the other discussed economic and boundary matters of concern to both countries. The agreed summary reports of the two committees which were approved at the final plenary session today are attached.

Members of both delegations and their wives were scheduled to leave Ottawa on Saturday morning for Montreal where they will visit the R.C.A.F. air defence command headquarters and attend a reception given in their honour by his Worship the Mayor and Mrs. Drapeau. While in Montreal the co-chairmen will visit the city hall to sign the golden book. In the evening the members and their wives will attend a national league hockey game. Both delegations will return to their respective capitals on Sunday.

REPORT OF COMMITTEE ON DEFENCE AND FOREIGN POLICY

Berlin and European Security

The committee opened its discussion with a consideration of the status of Berlin and the problem of European security. The discussion reflected no differences of opinion as to the Canadian and the United States approach to the Berlin situation and the basic position from which any negotiations with the Soviet union should proceed. Major attention, therefore, centred around how the present difficulties arising over Berlin should be approached to reduce tensions with the Soviet union.

The rights accorded the west under the quadripartite arrangements must be maintained. Any search for an accommodation with the Soviet union must take into account three points upon which the west must stand firm—(1) the rights of the people of West Berlin; (2) the rights of the occupying powers to be in the city; and (3) the right of the western powers to have access to the city. Any negotiations with the Soviet union must seek to clarify the latter point so that there will be firm guarantees given the west to have access to the city not only by means of the present four air corridors but also of specific land, rail and water corridors.

The Berlin problem is symptomatic of the many large issues that must be carefully and thoroughly explored, first among the western powers and then with the Soviet union at the diplomatic level before the convocation of a summit conference.

China Policy

The committee noted that since the group's last meeting the question of the admission of a communist Chinese delegation to the United Nations had been considered and had been rejected but that the matter would again confront the next meeting of the general assembly. While neither Canada nor the United States has recognized the Peoples' Republic of China it was reported that there is a body of opinion in Canada which favours Canada granting recognition. There was no disagreement on the need to maintain the integrity of Taiwan but there was some difference of opinion as to the validity of a "two China" policy. The United States members stressed that Taiwan is important to the security of the United States and that the United States administration must always consider the effect of United States recognition on its allies in Southeast Asia, and for these and other reasons the United States opposes such recognition.

There was an extensive discussion of the question of trade with communist China. While there was complete agreement that there should be no trade in strategic goods, the two delegations were not unanimous in

their views as to trade in non-strategic commodities. The Canadian members were generally of the opinion that by such trade it was possible to keep open certain avenues of contact and further questioned the effectiveness of a trade blockade in weakening the position of the Peking regime.

The United States members were of the view that trade with communist China in any form serves to bolster the regime and facilitates its expansionist policies. The United States members, therefore, hope that the free world would be able to co-operate with the United States to the end that nothing be done which would strengthen or hasten the development of communist Chinese military capacities.

Defence Production Sharing

The committee noted the mutual military responsibilities of both countries for the common defence of North America and the endeavours under the Canada-United States defence production sharing program to achieve integration of their defence industries development and production capabilities. The continuing Canadian reliance on United States industry for a substantial part of major items of Canadian defence requirements is economically more acceptable in view of the improving trend of United States defence procurement in Canada.

It was recognized that it would probably never be feasible for the United States to obtain from Canada as large a proportion of United States defence equipment needs as the proportion of Canadian requirements which is purchased from United States industry. The increased participation of Canadian industry in United States defence requirements is achieving an improved pattern of cross-border defence procurement and desirable standardization of equipment. However, this increased activity is revealing difficulties preventing Canadian industry from contributing fully and it was agreed that efforts must continue to ensure that defence industries in both countries have equal opportunity to participate in western defence requirements.

The achievements of the defence production sharing program were commended as an outstanding example of the close co-operation which exists between the two countries and which should continue to receive the active support of both governments. It is important that public opinion in both countries recognize that this program is aimed at more efficient utilization of the industrial capacity in both countries to the benefit of mutual defence and economic interests.

Disarmament

The committee, noting that renewed disarmament negotiations are to begin in Geneva on March 14, expressed the hope that these would result in some progress. It also considered that there were some grounds for restrained optimism in this regard. The committee agreed that initially a good basis for the conference's work exists in the agreed statement of principles and that the participation of foreign ministers would be appropriate to lend additional guidance to the opening phase of the negotiations.

The question of United States resumption of nuclear testing was also discussed. The United States members pointed out any resumption would be undertaken reluctantly and in full awareness of the impact that this would have on public opinion even though devices tested would be held to the minimum in point of number and size. On the other hand the progress which the Soviet union has made in the field of nuclear armaments as evidenced by their series of tests last fall might leave the United States no alternative but to resume testing.

Canada and the OAS

The Canadian delegation expressed its appreciation for President Kennedy's pledge of support to Canada should it desire to become a member of the organization of the American states (OAS). The Canadian members explained the various considerations that have made Canada reluctant to assume the obligations of membership at this time.

It was noted by both the Canadian and United States delegates that Canada has displayed an increased interest in Latin American matters. This has been evidenced by the creation of a Latin American division in the Department of External Affairs, the establishment of diplomatic relations with all the Latin American nations, Canadian membership in the United Nations' economic commission on Latin America, and the assignment of observers at important meetings of the OAS.

There was support for Canadian presence at meetings of the OAS and other inter-American organizations. It was also suggested that consideration be given to the appointment of a permanent Canadian observer at the OAS.

Cuba

The committee agreed that a communist Cuba is a serious menace in the western hemisphere which requires careful control and counteraction. It was noted that, as a result of recent policy review, the United States had now terminated all imports from

and exports to Cuba with the exception of certain medical supplies. The United States members believed that a similar review and common policy of economic sanctions against Cuba by Canada and all western countries would serve to counter the communist threat. The Canadian delegation recalled that Canada has long since terminated any exports to Cuba of arms, and is rigidly controlling other exports to Cuba and is preventing any re-export of United States goods through Canada. This is a similar policy to that which was recently approved by OAS at Punta del Este.

The committee agreed that the policies of both Canada and the United States must be developed in the light of each country's long-range plans to counter the communist threat.

United Nations Bond Issue.

The committee was unanimous in its support of the United Nations at this difficult juncture in its history. In this connection the committee discussed the method and extent of meeting the United Nations financial obligations arising principally from its efforts to establish peace and security in the Congo. The committee discussed and explored the United Nations proposal to help meet these obligations through the sale of bonds. The failure of many members to meet their assessments has created a financial crisis.

The committee was of the opinion that the United Nations fiscal machinery should be made more efficient and more stringent control should be exercised over financial matters.

REPORT OF THE ECONOMIC COMMITTEE

Relations with the Common Market

The committee discussed the broad implications and the effects on Canada and the United States of European developments with particular reference to the United Kingdom's application for membership in the common market. The committee recognized that both Canada and the United States face special problems of trade arising from European regional arrangements. At the request of the Canadian delegation the United States delegation outlined the purpose and scope of new trade legislation now before the United States congress. The Canadian delegation expressed support for expansion of multilateral world trade by such measures as may be agreed upon and Canada's willingness to take a constructive part in this expansion.

Both delegations expressed the view that the commercial and agricultural policies of the common market following negotiation for their application to Canada and the United States should result in a fair and adequate access for the industrial materials, agricultural products and manufactured goods of both countries.

The committee noted the contribution made by the commonwealth and the U.S.A. to world peace and stability.

The Canadian delegation emphasized the significance of traditional commonwealth trade links, including especially free entry into the United Kingdom market and the exchange of preferences. The committee clearly recognized throughout the discussions that it was for the United Kingdom alone to make a decision whether to join the European common market.

It was agreed that Canada and the United States have many common points of view and of interest and that, consequently, in any negotiations and measures undertaken or contemplated by either, this community of interest should be borne in mind.

Columbia River

The Canadian delegation outlined the present situation in Canada with regard to the treaty and pointed out that delay of Canadian ratification was related to differences between the federal government and the government of British Columbia. The Canadian delegation noted that it still remains the policy of the Canadian government to ratify the treaty as soon as possible.

The United States delegation observed that the United States had ratified the treaty and expressed the hope for early ratification by Canada. The United States delegation made reference to the urgent needs of the Pacific northwest for power which would require early decisions to be taken on alternative sources of power.

The Richelieu—Champlain Waterway

The committee took up the question of the Richelieu river—lake Champlain waterway. Such a waterway would cover a route of about 400 miles. It would reduce the water distance between Montreal and New York city by 1,200 miles, and between New York city and great lakes ports by a comparable distance.

The United States delegation outlined the history of this proposal, observing that this has been a water route since the earliest days of North America. The United States delegation also noted significant increases in cargo in past years on lake Champlain, and pointed out that development of the waterway would provide considerably greater access to the St. Lawrence seaway.

It was noted that both governments have proposed a joint submission of the question to the international joint commission.

The committee welcomed the report that this matter will be referred to the international joint commission and expressed the

view that the international joint commission should begin a study and submit its recommendations as quickly as possible.

Lumber Trade

The United States delegation noted that recent United States housing legislation has had the effect of increasing the market for lumber in the United States and resulted in the increasing importation of Canadian lumber. As a result the domestic market for United States lumber has been affected. United States shipping legislation (the Jones act) also has had the effect of raising the cost of shipping United States lumber from the Pacific northwest to the eastern seaboard.

There was a frank discussion of the problems outlined by the United States delegation and of the measures which might be taken to alleviate them.

It was apparent that the Canadian lumber industry was not free from problems of competition as well.

Point Roberts

The Canadian delegation outlined the situation that exists at Point Roberts, Whatcom county, Washington, a peninsula crossed by the international boundary (the 49th parallel) isolating the point from the state of Washington. The region is accessible only through Canadian territory or by sea and both countries maintain border crossing points. The area comprises some 5 or 6 square miles and has a permanent population of some 200 people. Point Roberts is a popular residence for Canadians but difficulties are experienced because of the United States immigration regulations.

United States residents of Whatcom county recently urged the relaxation of United States immigration regulations so as to allow of easier entry by Canadian citizens, particularly those seeking to make the area their permanent residence by obviating the necessity of their becoming United States citizens.

The United States delegation pointed out that the highway between Haines and Whitehorse passes through a section of the Yukon territory making it necessary for people using the road to pass through two separate customs and immigration points.

The committee expressed sympathy for any arrangements which would provide for a satisfactory solution of such problems on the border.

Canada-United States Bilateral Air Agreement

The Canadian delegation drew the committee's attention to delays experienced in continuing discussions with the United States on Canadian-United States air transport relations and pointed out that as a result the Canadian authorities were unable to proceed with current studies of regional air traffic requirements in Canada.

The committee agreed that it would welcome an early resumption of negotiations on the bilateral air agreement.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

SIXTH SESSION—OTTAWA AND MONTREAL
February 28—March 4, 1962

UNITED STATES DELEGATION

NAMES	POLITICAL AFFILIATION	STATE	COMMITTEE No.
Senate			
Hon. George D. Aiken (Chairman)	R	Vermont	1
Hon. Roman L. Hruska	R	Nebraska	2
Hon. Pat McNamara	D	Michigan	2
Hon. Mrs. Maurine B. Neuberger	D	Oregon	2
Hon. Claiborne Pell	D	Rhode Island	1
House of Representatives			
Hon. Cornelius E. Gallagher (Chairman)	D	N.J.	1
Hon. Laurence Curtis	R	Mass.	2
Hon. William S. Broomfield	R	Mich.	1
Hon. William T. Murphy	D	Ill.	1
Hon. Robert N. Giaimo	D	Conn.	1
Hon. John M. Slack, Jr.	D	W. Va.	1
Hon. Harold T. Johnson	D	Calif.	2
Hon. Daniel K. Inouye	D	Hawaii	1
Hon. Stanley R. Tupper	R	Maine	2
Hon. Howard W. Robison	R	N.Y.	2
Hon. James Harvey	R	Mich.	2

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

SIXTH SESSION—OTTAWA AND MONTREAL

February 28—March 4, 1962

CANADIAN DELEGATION

NAMES	POLITICAL AFFILIATION	PROVINCE	COMMITTEE No.
Senate			
Hon. Mark Drouin (Chairman)	P.C.	Quebec	1
Hon. Arthur Beaubien	L.	Manitoba	2
Hon. T. D. Leonard	L.	Ontario	1
Hon. W. R. Brunt	P.C.	Ontario	2
Hon. L. P. Beaubien	P.C.	Quebec	2
House of Commons			
Hon. Roland Michener (Chairman)	P.C.	Ontario	2
Mr. Paul Martineau	P.C.	Ontario	2
Mr. Egan Chambers	P.C.	Quebec	1
Mr. George McIlraith	L.	Ontario	2
Mr. John B. Hamilton	P.C.	Ontario	2
Mr. Frank Howard	C.C.F.	B.C.	2
Mr. Cyril Kennedy	P.C.	N.S.	1
Mr. Frank McGee	P.C.	Ontario	1
Mr. Hubert Badanai	L.	Ontario	1
Mr. W. L. M. Creaghan	P.C.	N.B.	1
Mr. John Drysdale	P.C.	B.C.	2
Mr. Jean T. Richard	L.	Ontario	2
Mr. Maurice Johnson	P.C.	Quebec	2
Mr. Terry Nugent	P.C.	Alberta	1
Mr. Rémi Paul	P.C.	Quebec	1
Mr. Gabriel Roberge	L.	Quebec	1
Mr. Georges Valade	P.C.	Quebec	1
Mr. Gaston Clermont	L.	Quebec	2

HOUSE OF COMMONS

Tuesday, March 6, 1962

The house met at 2.30 p.m.

HEALTH AND WELFARE

ANNOUNCEMENT OF LICENSING OF LIVE ORAL POLIO VACCINE

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I should like to inform the house that live oral polio virus vaccine of the Sabin variety has now been licensed under the Food and Drugs Act for use in Canada.

This new vaccine represents another great medical breakthrough and one which may in effect result in the almost complete eradication of paralytic polio in this country. I know that hon. members will take satisfaction, as I do, in the fact that Canada is among the first nations of the world to license all three strains of the vaccine. Our regulations in this regard set a very high standard, and I think it is a tribute to the excellence of Canadian scientists and Canadian producers that full approval has now been possible.

I might say we have taken this step only after long and careful study. There are many special problems associated with a vaccine of this type, and considerable time has been required to solve them. In addition to the information provided by research and field trials in other countries, a good deal of work has been done in Canada, in Nova Scotia, Quebec, Ontario, Manitoba and Saskatchewan. The results of these efforts have confirmed that the Sabin strains of live oral polio virus vaccine are safe for community use in Canada and that they are also valuable immunizing agents.

Because of the really outstanding success achieved with the Salk vaccine and because it is now built into child immunization programs across the country, we do not expect that the oral vaccine will replace the Salk at least at the outset. Rather it will be used as a supplementary or booster dose for the majority of persons who already have been immunized with the Salk, as well as for a primary stimulus for those who have not. In the case of immunized persons, the initial approach is that a single dose of the oral vaccine will be sufficient. Several doses may be necessary for those not previously immunized with Salk.

I might add that evidence to date suggests that the most effective method of using oral vaccine in our present state of knowledge is by community immunization programs. For this reason, and in order to make the best possible use of supplies available, distribution for the time being will be through provincial and federal health authorities.

As in the case of the Salk vaccine, the costs of providing the Sabin vaccine will be shared on a fifty-fifty basis by the federal and provincial governments. Also as was done with the Salk, production in Canada will be handled by the Connaught medical research laboratories of the University of Toronto and the institute of microbiology and hygiene of the University of Montreal.

As I have mentioned, careful preparation has been made for the use of this new weapon against polio, and in view of this I have every confidence that we will achieve a record with the Sabin vaccine that will match our outstanding success with the Salk vaccine in terms of safety and effectiveness.

Hon. Paul Martin (Essex East): Mr. Speaker, there will be general satisfaction in the house and throughout the country with the announcement that the department has decided to license three strains of the vaccine of the Sabin variety, which is to be orally administered. It is interesting to note that this does not mean the replacement of the Salk vaccine, in the initial stages at any rate.

It is also a matter of satisfaction that the Connaught laboratories at the University of Toronto and the institute of microbiology at the University of Montreal, under Dr. Armand Frappier, will continue to provide the production of this new orally administered vaccine as they did in the case of the Salk vaccine.

The minister, however, has said nothing about the tests to be employed both at the Connaught laboratories and at the institute of microbiology, as well as in the department here in Ottawa, to make sure that doses of this vaccine meet the standards of safety laid down by the Department of National Health and Welfare in co-operation with the provincial departments of health. The minister will recall that in the case of the Salk vaccine, Canada was privileged to escape some of the abuses and dangers which attended the administration of Salk vaccine in the United States because of the great care which was taken in Canada in testing various batches of the Salk vaccine.

Inquiries of the Ministry

I hope the minister can give the house some assurance that every possible device will be employed in Canada to make sure that doses of this vaccine in this country are tested by the production centres as well as by the department's laboratory here in Ottawa.

Mr. H. W. Herridge (Kootenay West): Following the oral treatment on the part of the hon. member for Essex East, as opposed to his usual insertion of the needle, I wish to say that this group is pleased that the government has seen fit to take action in order to give Canadians the opportunity to take advantage of the skills of Canadian scientists, manufacturers and technicians for the further protection of their health against disease.

Mr. Monteith (Perth): I wonder whether I might be permitted to add one word, Mr. Speaker. The Sabin vaccine will be handled on exactly the same basis as that on which the Salk vaccine was handled, namely on an individual batch release basis, and it will be examined in our laboratory on that basis.

FINANCE

EXCHANGE FUND—REPORTED LOSSES OF RESERVES

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Minister of Finance. Is it a fact, as suggested in today's *Gazette* by its financial editor, that the losses of reserves in the exchange fund in January and February have been of such a magnitude that the Minister of Finance has used up all his opportunities for further conversion into Canadian dollars?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, that is rubbish.

ROYAL COMMISSION—INQUIRY AS TO PUBLIC HEARINGS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Minister of Finance. Can he inform the house whether the royal commission on banking, which was established in October, 1961, I believe, has held any public hearings yet?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the commission has held a number of private meetings and has organized its work quite extensively. The public hearings are expected to commence quite soon and it is the intention of the commission, I am informed, to hold hearings in different parts of the country.

[Mr. Martin (Essex East).]

EXTERNAL AFFAIRS

NUCLEAR TESTING—SUGGESTED APPEAL TO PRESIDENT KENNEDY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Prime Minister. In view of press reports that Premier Khrushchev stated today that the United States decision to resume nuclear testing in the atmosphere will inevitably lead to a new Soviet round of tests; and in view of the fact that, as Premier Khrushchev points out, the U.S.A. has always insisted that its nuclear stocks excel those of the U.S.S.R., would the Prime Minister consider appealing to President Kennedy to reconsider his decision which is fraught with peril for all mankind?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the government's decision with regard to President Kennedy's announcement of March 2 was set out in my statement of March 3, which was fully reported in the press. I have nothing further to add.

UNITED NATIONS

DISARMAMENT—REPORTED NON-PARTICIPATION OF FRANCE IN CONFERENCE

On the orders of the day:

Hon. Paul Martin (Essex East): I wish to direct a question to the Prime Minister. In view of the importance that the Prime Minister and his government attach—and rightly so, as do we all—to the 18 power disarmament conference that is to take place on March 14, does he think he can say anything useful with regard to the announcement that France does not propose to participate in the conference?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the manner in which the question was phrased indicated that the hon. gentleman would not expect any direct answer to that question. However, I am sure I express the views of Canadians generally when I say that we still hope France will be able to join with the other 17 members in attending that conference.

LOTTERY

INQUIRY AS TO CALLING OF DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I should like to ask a question of the Minister of Justice. My question has to do with a statement made by the minister at a press conference in Joliette over the week

end. Will the minister say whether a federal-provincial conference will be called before the dissolution of parliament in order to discuss an amendment to the Criminal Code in respect of a national or provincial lottery?

Hon. E. D. Fulton (Minister of Justice): No, Mr. Speaker, the minister will not say.

Mr. Deschatelets: Another smokescreen.

SHIPPING

NEWFOUNDLAND—REPORTED FAILURE TO CARRY OUT ICEBREAKING AGREEMENT

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): I should like to direct a question to the Minister of Transport. I regret that I have not been able to give him notice of it, but if he is unable to answer today perhaps he might take the question as notice and reply tomorrow. Has the minister's attention been directed to an editorial in the Halifax *Chronicle-Herald* of February 27, to the effect that the icebreakers of his department are neglecting to carry out an agreement between Canada and Newfoundland to maintain a passage for the *William Carson*, to the benefit of other ships in various parts of the gulf of St. Lawrence? If so, would the minister care to comment?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I have not read the editorial, but I can assure the house that the icebreakers of the Department of Transport are extremely busy at the present time carrying out their duties, which involve giving assistance to Canadian shipping and also giving effect to all agreements and undertakings for which the government is responsible.

TRANSPORT

WELLAND CANAL—INQUIRY AS TO TWINNING OF LOCKS

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Minister of Transport. Is the government giving consideration to the early twinning of any of the single locks of the Welland ship canal?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, this is a matter of policy and if and when any decision is taken it will be announced in due course.

SPORTS

ADVISORY COUNCIL—EXPENDITURE OF FUNDS DURING CURRENT FISCAL YEAR

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare relating to the annual $5 million fund for the national advisory council on fitness. What consideration is the minister giving to the reasoned argument of a member of the council, Mr. Ted Reeve, in last Saturday's *Telegram* that the funds for the fiscal year 1961-62 should be spent and not allowed to lapse?

Hon. J. W. Monteith (Minister of National Health and Welfare): I should like to thank the hon. member for having given me notice of his intention to ask this question. I have read the article and would simply say that Mr. Reeve is, I believe, unduly pessimistic.

Already three grants recommended by the national advisory council on fitness and amateur sport have gone out to organizations with emergency needs. In addition, a recommendation concerning the setting up of a scholarship-fellowship scheme is being developed, and it is our hope that a program agreeable to the provinces will be ready shortly. We are also concerned with the question of direct aid to provincial programs and with the development of fitness research and technical information services. I hope to be able to make an announcement in the near future with regard to these matters. In other words, definite proposals for further outlays under the Fitness and Amateur Sport Act during the current fiscal year are going forward with all possible speed.

OLD AGE SECURITY

RETENTION OF INCREASED ALLOWANCES BY DISABLED AND BLIND

On the orders of the day:

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, yesterday the hon. member for Port Arthur asked whether the consideration to be shown to recipients of war veterans allowances following last month's increase in old age security payments is being shown to those receiving disability and blindness allowances.

Old age pensioners do not also receive assistance under the Blind Persons Act or the Disabled Persons Act, so I assume the hon. member is thinking of a situation where one member of a married couple is over 70 and the other is not. The recent changes in the acts provided for this and made sure that the benefit would actually be received.

As well as increasing the maximum allowance by $10 a month, we increased the permitted income of the couple in federal-provincial sharing programs by more than the corresponding $120 a year. This means, for example, that even though a husband is receiving $10 a month more through his old age security cheque his wife will also receive the extra $10 a month under the Disabled

Persons Act where a federal-provincial agreement has been signed, and a greater income from other sources is also permissible.

(Translation):

NATIONAL DEFENCE

GOVERNOR GENERAL'S FOOT GUARDS, OTTAWA—FRENCH SPEAKING OFFICERS

On the orders of the day:

Mr. Walter Pitman (Peterborough): Mr. Speaker, I should like to direct a question to the parliamentary secretary to the Minister of National Defence.

In view of the answer he gave yesterday to my question concerning the percentage of French speaking and English speaking officers of the Governor General's Foot Guards, and following the comments given to the press by the colonel indicating that while 50 per cent of the n.c.o.'s are French speaking, only two of the thirty officers are French speaking, does the parliamentary secretary think this proportion of French speaking officers is adequate?

Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence): Mr. Speaker, I am happy that the hon. member for Peterborough asked this question because the commanding officer of the regiment informs me that there are some vacancies to be filled at present among the officers of his regiment and that he would be very pleased to receive applications from qualified French speaking candidates.

(Text):

HEALTH AND WELFARE

ROYAL COMMISSION—INQUIRY AS TO REPORT

On the orders of the day:

Hon. Paul Martin (Essex East): In view of the thought provoking speech of the minister last night before the optometrists in Toronto, in which I detected indications of the minister's delaying tactics—

Mr. Fleming (Eglinton): What about the member's delaying tactics?

Mr. Martin (Essex East): —can the minister say when we may expect the report of Chief Justice Hall which would enable the minister to bring down a program of medical care insurance before dissolution of the present parliament?

Hon. J. W. Monteith (Minister of National Health and Welfare): I thought the hon. member for Essex East would have been better informed as to when I delivered this speech. It was yesterday at noon. I was just wondering whether his own party, which was invited to speak to the optometrists today at noon, would be represented. Apparently the hon. member is not very well informed. In any event, the Hall commission is sitting and will report in due course.

PUBLIC BUILDINGS

RESERVE MINES, N.S.—PROTESTS OVER POST OFFICE SITE

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of Public Works. Has the minister received representations from citizens' groups at Reserve Mines, Nova Scotia, to the effect that the proposed location of the new post office is a poor one and is dangerous for children? Will the minister delay construction until an alternative site can be considered?

Hon. D. J. Walker (Minister of Public Works): This is a repetitious old chestnut that has been thrown around the Commons, first by the hon. member for Bonavista-Twillingate and then a few others and now, of course, by the gullible member for Trinity.

Some hon. Members: Hear, hear.

Mr. Walker: There was a protest meeting called against this site, with great advertising, in the town of Reserve Mines, which has a population of 3,000 people, and 18 people turned up. I suppose my hon. friend is acting for the 18. In any event, this matter has been given careful consideration. The site which has been picked is the most popular site, the safest site, and the site that pleases most of the people of Reserve Mines, in spite of the interference of politicians on the other side.

Mr. Hellyer: May I ask a supplementary question on behalf of the minority, even if there are only 18? Has the minister satisfied himself that the site chosen is the best one, and also that it is safe for the population?

Mr. Walker: I shall have to speak French to the hon. member.

INDUSTRY

DOMINION TAR AND CHEMICAL CO.—ESTABLISHMENT OF PLANT IN U.K.

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Acting Minister of Trade and Commerce, and ask whether he has had an opportunity to look into the question which I posed on Friday, I believe, of last week, having to do with the Dominion Tar and Chemical Company announcing its intention to build a plant in the United Kingdom. Is there a reply to that question?

Hon. Gordon Churchill (Acting Minister of Trade and Commerce): I shall have to inquire to find out; I was away myself on Friday. I am now informed that the minister will be here tomorrow and the answer will be given then.

FARM IMPROVEMENT LOANS ACT

AMENDMENT TO GUARANTEE LOANS, ESTABLISH LIMITS, ETC.

The house resumed, from Monday, March 5, consideration in committee of the following resolution—Mr. Fleming (Eglinton)—Mr. Martineau in the chair:

That it is expedient to introduce a measure to amend the Farm Improvement Loans Act to provide for the making of guaranteed loans during the period July 1, 1962 to June 30, 1965, and to establish $400 million as the limit of guaranteed loans that may be made during the new loan period.

(Translation):

Mr. Boulanger: Mr. Chairman, concerning the resolution put forward by the Minister of Finance to extend the loan period in the Farm Improvement Loans Act, there are just a few words I should like to say.

The measure has nothing new to offer. Its purpose is simply to extend the period for making loans from July 1, 1962, to June 30, 1965, and to increase the limit of guaranteed loans to $400 million.

It does not bring any real change and contributes nothing to improve the farmer's lot. The situation, for the farmer, remains the same. Nothing is done to provide him with a better income for the good of his family.

Such is the policy of the present government, no general plan to improve conditions for the farmers. Since 1957, confusion has prevailed in our country's farm policy. There is no program, no planning.

The pamphlet called ARDA has often been mentioned. For the past four years, there has been some talk about the establishment of a food bank.

Mr. Pigeon: The hon. member for Drummond-Arthabaska (Mr. Boulanger) is out of order. He should not read his notes so fast.

Mr. Boulanger: I should like to say a few words on this point of order. Each time I speak in the house, the member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) claims I read my notes. I should like the hon. member to come and take a look at this sheet of paper. I am not in the habit of reading my speeches and I might add that I am not a plagiarist. I wonder if the hon. member knows the meaning of that word.

Mr. Pigeon: Mr. Chairman, I rise on a point of order. The hon. member's statements are entirely false. He should stop reading and discuss the bill under consideration instead. He should not speak about agriculture in general.

The Chairman: The hon. member has raised two points. With respect to the first one, I think that the hon. member for Drummond-Arthabaska gave a satisfactory explanation. He said that he had some notes to which he was referring, and I have nothing more to say about that. Everything is in order.

As to the second point concerning the relevancy of his remarks, I would ask the hon. member to make an effort to keep within the subject of the resolution.

Mr. Boulanger: Mr. Chairman, I had not yet strayed from the subject. I know that the hon. member for Joliette-L'Assomption-Montcalm is very touchy because he himself never speaks about agriculture himself, even though he represents an agricultural riding. All he can do is to make interruptions.

Mr. Pigeon: That is entirely false.

Mr. Boulanger: I was dealing with the amendment to the act announced in the resolution, for the purpose of increasing the loans guaranteed by the government. I was making a few comments about this act which will not improve in any way the lot of farmers. Yet, farmers were promised a fair share of the national income. After this government has been in power for five years, farmers have never been worse off than they are today. We had thought that the government would put forward a farm policy likely to increase the farmer's income.

Far from it, instead of helping him, the government sees the farmer going deeper into debt year after year, to the great satisfaction of the Minister of Finance.

And I shall prove what I am saying. The Minister of Finance said the other day that the farmer had borrowed more, in 1961, than in any previous year, and that is true.

Mr. Chairman, since 1957, the farmer has been borrowing more and more. This proves that he is in poor circumstances; and yet, the Minister of Finance boasts that the farmer borrows more and more.

In 1961, the loans totalled 70,000 and reached $108 million; last year, $101 million; in 1959, $98 million; in 1958, $90 million.

In 1957, after the Liberals had been in power for 22 years, farmers had borrowed only $60 million.

The fact that farmers borrow more and more clearly indicates that their situation is getting worse instead of improving.

Mr. Tremblay: On the contrary. They want to borrow money to pay old debts.

Mr. Boulanger: Mr. Chairman, if the hon. member for Roberval (Mr. Tremblay) wants to make a speech, I would ask him to wait until I am finished. Besides, it would be the first time that he would speak about agriculture, the second time rather, because the first time he said that the situation of Quebec farmers has been improved, that they are satisfied. That is what prompted the farmers' association—

Mr. Tremblay: Mr. Chairman, I rise on a question of privilege. I have never said what has just been suggested by the hon. member for Drummond-Arthabaska. I stated once that the farmers' situation is excellent now as compared to what it used to be and I am ready to repeat it. Besides, the hon. member for Drummond-Arthabaska should not worry; when I have something to say in this house, I do not need this former undertaker's invitation to speak up.

Mr. Boulanger: I know what the hon. member for Roberval means when he says that he can speak his piece in the house. That is why I should like to quote what he said here.

Mr. Tremblay: Go ahead, my friend.

The Chairman: In my opinion, there is no point in discussing further the question of privilege since it has already been dealt with. It would be useless to insist on that and I feel that the hon. member should continue his remarks on the resolution under consideration.

Mr. Boulanger: Mr. Chairman, I am quite willing to abide by your ruling, and I shall not repeat what the hon. member for Roberval has said. But I would ask him just one thing, and that is to keep silent for a few minutes. Then, when I am through, he shall have his chance to speak and I can assure him that I shall listen to him.

An hon. Member: That is too much to ask of him.

Mr. Boulanger: Now, Mr. Chairman, the farmer, as I was saying, has increased his loans from year to year. Nevertheless, as I mentioned a moment ago, he still finds himself in a precarious situation because, among other things, his cost of goods and services has gone up from year to year.

If we examine the figures published in *l'Economiste Agricole* of December 1961, we find that goods and services bought by farmers had increased, from 1956 to October 1961, from 247.6 to 287.8, a 40 point rise, while the sales price index for the farmers' products had shown but a 7 point increase. That is why the farmer borrows more all the time.

What does the government intend to do to meet the situation? I should like the Minister of Finance to tell us if he feels that the 61 per cent of eastern farmers whose yearly income is less than $2,500 earn enough to support a family of five or six children.

This is the only question I am asking the Minister of Finance. Does he find the $2,500 gross income of 61 per cent of eastern farmers reasonable?

(Text):

Mr. Deschatelets: He does not know the answer.

(Translation):

Mr. Boulanger: I shall expect the answer from the minister when he has an opportunity to take the floor in a few minutes.

We have heard some wonderful promises from our friends and we will probably hear some more before the end of the session.

Mr. Pigeon: Lesage's promises.

Mr. Boulanger: Lesage's promises, yes, Mr. Chairman, Mr. Lesage did make some promises.

The Chairman: It is not in order to discuss here what is done or not done by Mr. Lesage.

An hon. Member: He was asked the question.

Mr. Chevrier: Mr. Chairman, there is a limit to what an hon. member can do. If the hon. member who has the floor is invited to do so, as he was, a while ago by all kinds of interruptions attacking the premier of Quebec, surely, he is entitled to answer the questions directed to him.

The Chairman: The Chair did not hear the interjection. However, even if there was one, it was certainly out of order and I do not

think an hon. member could take advantage thereof to start a discussion on an irrelevant matter.

Mr. Chevrier: Mr. Chairman, I submit that you should call the hon. member for Joliette-L'Assomption-Montcalm to order, when those on this side of the house are making their views known to the house.

The Chairman: I have done so many times, and I would once again ask all the members not to interrupt. As the hon. member just said, there is no reason for it, and I would ask the hon. member for Drummond-Arthabaska to remain strictly within the limits of the measure under discussion.

Mr. Boulanger: Mr. Chairman, I shall end my remarks by asking the government to let us know its agricultural policy as soon as possible so that farmers, and particularly dairy farmers, may know what to expect up to April, 1963. Besides, that was another promise made by the government, which said that the farmer would know, a year beforehand, where he stood with regard to the sale and price of his agricultural products.

Today, in the dairy industry—

(Text):

Mr. Fleming (Eglinton): On a point of order, the hon. member has been engaged for some time in talking not about this bill at all but about agriculture in general. This is not a debate on the estimates of the Department of Agriculture. This is not a debate on agriculture in general. This is a discussion on a resolution contemplating the introduction of a bill to extend one particular statute. This does not give any ground for any hon. member to embark upon a wide ranging discussion on agriculture in general. Surely it is possible to have a debate in relation to the Farm Improvement Loans Act.

Mr. Chevrier: On the point of order, the matter before the committee deals with two things. First it deals with the extension of guaranteed loans and, second, it deals with the ceiling on guaranteed loans. My hon. friend has been dealing with loans throughout his speech, and with the effect of those loans upon the income of the farmer. Surely he has a right to do what he is doing. I submit that it is because what the hon. member for Drummond-Arthabaska is saying has struck the government right between the eyes insofar as its program with reference to agriculture is concerned—

The Chairman: Order. I trust the hon. member will not go beyond the point of order which has been raised. He has rightly stated that this is a matter concerning the extension of the Farm Improvement Loans Act and the ceiling on loans. When the minister rose to make his point of order the hon. member for Drummond-Arthabaska was embarking on a discussion of the Agricultural Stabilization Act. In doing so he was definitely out of order, so I would ask him to return to the item under discussion.

(Translation):

Mr. Boulanger: Mr. Chairman, I am quite willing to confine my remarks to the item which is now before us. However, I should like to see the same rule applied to the hon. members who will take part in this debate.

Mr. Pickersgill: Hear, hear.

Mr. Tremblay: We will not talk about the same things.

Mr. Boulanger: The member for Roberval (Mr. Tremblay) will, no doubt, not talk as I did because his conception of the needs of the farmers differs from mine. I even believe I shall have to go in his riding—

An hon. Member: You will go help him.

Mr. Boulanger: —to explain the present situation in the province of Quebec, more particularly as concerns the dairy industry.

Mr. Chairman, since the Minister of Finance is so sensitive to my remarks on agriculture, I shall not discuss it further; but I shall bring up the subject again, for there is much to say on the matter. In fact, I could spend two or three days dealing with agricultural questions, particularly as concerns the province of Quebec.

I am convinced that the members to my left who are now whispering will have something to feed their thoughts during the next election campaign.

Mr. Pigeon: Mr. Chairman, I did not expect to take part in this discussion because I consider this legislation a great improvement on the act which we had under the former government. The fact which strikes me most, and I am going to prove it—

Mr. Pickersgill: I cannot understand.

Mr. Pigeon: —and I shall prove it, Mr. Chairman. When I see the hon. member for Laurier (Mr. Chevrier) who, like an outraged maiden, rises on a point of order to defend the Quebec farmers—

Mr. Bourget: Order, Mr. Chairman.

The Chairman: Order. I think it would be preferable for the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) to keep to the resolution before us, as he, indeed, wanted the member who spoke before him to do.

Mr. Bourget: Hear, hear.

Mr. Pigeon: I only wanted to point out, Mr. Chairman, that the hon. member for Laurier should not speak on farming. He puts his foot in it every time—

Mr. Bourget: Mr. Chairman, on a point of order—

Mr. Pigeon:—and to prove that this government has improved the legislation, I should like to point out that, under the former government—the government of the hon. members for Laurier and Drummond-Arthabaska (Mr. Boulanger)—the maximum loan for farm improvement was, for each farmer in this country, $5,000, whereas this government has increased it to $7,500.

Mr. Boulanger: The farmers did not need any more at the time.

Mr. Pigeon: It is an improvement, Mr. Chairman. The hon. member for Drummond-Arthabaska, rose a while ago again like an outraged maiden, to tell the hon. member for Roberval not to interrupt his remarks. Look at him, Mr. Chairman, he is the first to interrupt, to break the rules of this house and to burn what he adored. Be fair not only as regards the rule of this house but also as far as the farmers of this country are concerned. Stop talking nonsense.

Here is another proof, Mr. Chairman, of the way in which farmers were treated. Under the previous government formed by the party to which the hon. member for Drummond-Arthabaska belongs, the total amount of loans to farmers—

Mr. Martin (Essex East): Order. Mr. Chairman, the hon. member for Joliette-L'Assomption-Montcalm is wandering from the subject under discussion.

The Chairman: I feel that the hon. member for Joliette-L'Assomption-Montcalm deals with the resolution when he discusses the maximum amount of loans, which is relevant to the resolution; but I would ask him to stick to the resolution now under discussion.

Mr. Pigeon: Mr. Chairman, that is exactly what I am doing. I am discussing the resolution mentioned in the order paper of this house concerning loans for farm improvements.

[Mr. Bourget.]

When I say that a maximum loan of $5,000 was granted, under the government of which the hon. member for Laurier was a member, to farmers of this country who wanted to borrow, I am talking about the act related to the legislation now before us, and I join with the farmers to commend the Minister of Finance for having improved the act and having increased the loan to $7,500. That is what I am discussing.

As I said a moment ago, under the previous government of the hon. members for Laurier and Drummond-Arthabaska, the maximum set aside for those loans was $300 million, and the Minister of Finance has now raised that maximum to $400 million. It is certainly an improvement over what we had then.

I note from the statistics that the farm revenue in this country was good last year and that economists forecast an excellent year for 1962. And if a decrease is expected in the province of Quebec, it is perhaps due to the provincial government, because there is a decline in the province of Quebec under the present administration which is fouling up farm legislation in that province and refusing to give the Montreal area a school for advanced studies in agriculture.

Mr. Boulanger: Mr. Chairman, on a point of order. If the hon. member for Joliette-L'Assomption-Montcalm wishes to speak about agricultural colleges, or about farm revenues, I am quite prepared to talk about it also.

An hon. Member: There is no point of order.

The Chairman: I hope that hon. members will not be too sensitive because everyone will have the opportunity to speak on the resolution. However, I wish to remind the hon. member who has the floor to keep to the question before us. I feel that he has done so quite successfully until now; but just the same I should like to ask him to make a special effort not to wander away from the question under discussion.

Mr. Pigeon: Thank you, Mr. Chairman.

I simply wished to draw the attention of the house to the great improvement brought about by this government, through the Minister of Finance, in regard to that policy of farm improvement loans.

Before concluding my remarks, I should like to tell hon. members, and most particularly the hon. member for Laurier—

Mr. Boulanger: Order.

Mr. Pigeon: Has the hon. member something to say? If so, let him rise in his place and say it.

Mr. Boulanger: Mr. Chairman, on a point of order. The hon. member for Joliette-L'Assomption-Montcalm—

The Chairman: Order. Is the hon. member for Drummond-Arthabaska raising a point of order?

Mr. Boulanger: As regards the point of order, Mr. Chairman—

Mr. Tremblay: Fit for the circus.

Mr. Boulanger: —the hon. member for Joliette-L'Assomption-Montcalm wanted to put words—

Mr. Pigeon: Have I done so?

Mr. Boulanger: —in the mouth of the hon. member for Laurier. Therefore, he is out of order.

The Chairman: Order. I am of the opinion that the hon. member for Laurier is quite able to defend himself if he feels he is attacked.

Mr. Tremblay: The hon. member for Laurier has to rely on the hon. member for Drummond-Arthabaska to defend him. How sad.

Mr. Pigeon: Mr. Chairman, you will appreciate that the hon. member for Drummond-Arthabaska is not serious, because he raises a point of order as soon as I mention the name of the hon. member for Laurier. He thought I would report what he said, but I simply wished to advise him not to take the farmers of the province of Quebec for a bunch of idiots, especially when he comes to that province to talk about agriculture, while he does not know a thing about Quebec agricultural problems.

Mr. Chevrier: Mr. Chairman, on a point of order.

Mr. Pigeon: I say that as an agronomist, and as a farmer's son.

Mr. Chevrier: Mr. Chairman, I think the statement just made by the hon. member for Joliette-L'Assomption-Montcalm does make sense in a way, and it is that there is no greater idiot in the House of Commons than the hon. member for Joliette-L'Assomption-Montcalm.

(Text):

Mr. Fleming (Eglinton): Mr. Chairman—

(Translation):

Mr. Fortin: You are forgetting yourself in that statement.

(Text):

Mr. Fleming (Eglinton): Mr. Chairman, on a point of order—

The Chairman: Order. The Chair recognizes the Minister of Finance on a point of order.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member for Laurier has just used language which is a clear offence against the rules of this house, and I ask that you call on him to withdraw the remark he has made concerning another hon. member of this house.

Mr. Chevrier: Mr. Chairman, on the point of order, in the first place the Minister of Finance should be the last person to rise in this house on a question of that kind because he has repeatedly said that we on this side of the house engage in blatant lies.

With reference to the point itself, the hon. member for Joliette-L'Assomption-Montcalm has got exactly what he has asked for. He has been inviting interjections all along. He has repeatedly used language which apparently I am supposed to have used elsewhere but which I have no recollection of having used. I simply put to the hon. member that perhaps the language applies to him far more than it applies to me.

The Chairman: On the point of order, let me say this.

(Translation):

I believe that in the heat of the discussion, the hon. member for Laurier went farther than he should have towards the hon. member for Joliette-L'Assomption-Montcalm. In my opinion, he should be given the opportunity to change the word he used regarding the hon. member.

Mr. Chevrier: Mr. Chairman, I fail to see the difference between the term I used and the word "obstruction" which the Minister of Finance—

The Chairman: Order. What the Minister of Finance might have said previously has nothing to do with the matter involved at present. What we are now dealing with is the word "idiot" directed to an hon. member. I suggest that such a word is not consistent with the dignity of the house, and I am convinced that after due consideration, the hon. member for Laurier will agree to change his expression.

Mr. Chevrier: Mr. Chairman, I feel that the word was used adequately and properly. When the hon. member interrupted me—

Mr. Tremblay: Order.

Mr. Chevrier: Wait—

Mr. Flynn: On a point of order, Mr. Chairman—

Mr. Chevrier: I rise on a point of order. I would ask the minister to resume his seat and I will tell you why.

Some hon. Members: Order.

The Chairman: Order, order.

Mr. Chevrier: I am speaking on the point of order.

An hon. Member: Sit down.

The Chairman: Everyone is familiar, I think, with the elementary rule that when the Chair has something to say, all hon. members must take their seats. That is the first point.

Second, I feel that the remarks made by the hon. member for Laurier are contrary to the dignity of the house and I would ask him to reconsider.

Mr. Chevrier: I should like to raise two points of order in that connection. First of all, you said that all members are supposed to take their seats when the Chair has something to say, and you are perfectly right. I did not resume my seat immediately because of the minister's attitude. He should not try to give us a lesson as he did yesterday evening.

The Chairman: I think that only one point of order should be raised at any one time. Questions are settled one by one.

As regards the remarks addressed to the hon. member for Joliette-L'Assomption-Montcalm by the hon. member for Laurier, I think that is liable to throw ridicule on an hon. member. There are several precedents to the effect that an hon. member should not indulge in such practice. I know that the hon. member has great experience in this house and is probably aware of the rules better than I am. I would therefore ask him to cooperate and to use his usual good judgment in making the necessary correction.

Mr. Chevrier: Mr. Chairman, I accept your suggestion and instead of the word I used a moment ago, I shall say he lacked intelligence in making such observations about me.

Some hon. Members: Order.

The Chairman: I think the question has been settled to the satisfaction of the Chair and of all hon. members. I think we can now proceed with the debate.

Mr. Pigeon: May I finish, Mr. Chairman? In closing, I should like to pay tribute to the present government and especially to the Minister of Finance, who has substantially improved this act. What a change compared to the inaction we had before, to the little consideration shown to the farmers of this country under the previous government.

I hope that our friends opposite, even if they know nothing about people on the farms, as is obviously the case with some of them, will be careful when they come to speak in certain Quebec constituencies with which they were not familiar before, owing to the fact that they have temporarily taken up residence in the province of Quebec only a few months ago.

Mr. Chevrier: On a point of order.

Mr. Tremblay: Again?

Mr. Chevrier: A little while ago, I used a word which apparently I did not have the right to use but which fits the hon. member well.

Some hon. Members: Hear, hear.

Mr. Chevrier: A member is not allowed to raise in this house such a personal matter. But that is exactly what the hon. member has done. If an hon. member has charges to make, and it is the Prime Minister himself who established this basis, he must make a complaint himself and put his seat at stake. If the hon. member has enough courage to do that, let him make a complaint. He has no right to do so by devious means.

He attacked me in my private life. This is a strictly personal matter. It does not concern him.

Mr. Pigeon: I did not mention your name.

Mr. Chevrier: That is no concern of his. I ask you, Mr. Chairman, to call him to order as you did me a moment ago.

The Chairman: I am glad to ask that of the hon. member. Besides, I think he has finished his speech.

He did not have the right to raise such a personal matter concerning the hon. member for Laurier. As the hon. gentleman pointed out, a procedure has been established in such cases. It is not customary to proceed in that manner in the house.

In this instance, the subject matter of the debate is the resolution. If the hon. member has concluded his remarks, I recognize the hon. member for Timiskaming (Mr. Peters).

Mr. Pigeon: I did not name the hon. member, but if the cap fits, let him wear it.

Mr. Habel: Just like the Union Nationale: insinuations.

(Text):

Mr. Peters: Mr. Chairman, once the Union Nationale speak they are apt to continue all afternoon. You cannot tell when they start and when they stop. I am also surprised that they make the statement which they make about this particular legislation. This is not

a great improvement over anything existing previously. There has been an improvement, but this improvement does not need to stop. Certainly if there was any foresight in the Conservative party they would be considering the extension of this particular act at this particular time, in addition to the increases that have taken place in the amount of money available over the period of years. I suggest that this should happen with regard to the maximum amount of money permitted to a particular farmer.

We endorse this type of legislation. We are very happy that it carries the present interest rate. We believe that this act has served a purpose. Certainly the Minister of Finance went to great lengths to point out this fact. I agree that it has done so, but I think now is the time to quit playing with this type of legislation and make it permanent. We amended this act in 1948, 1951, 1953 and in 1956, when we made an additional change by putting in $5,000 as the maximum allowable loan per farmer. In 1959 the act was again amended and the maximum amount was raised to $7,500.

When we are amending it now for a period from 1962 to 1965 I suggest that the minister should give some consideration to the farmers' request on numerous occasions to raise the maximum amount to $10,000. I make this suggestion because I think it is in keeping with the original concept of this act. Farmers at one time would consider $3,000 on a 10 year mortgage to be a sufficient amount of money.

Mr. Horner (Acadia): The machine companies.

Mr. Peters: Yes, as the hon. member from Alberta mentioned, the machine companies would have considered it a suitable loan in 1948. But in 1962 I would ask the hon. member from Alberta this question. Farmers in his part of the country, as in other parts of Canada, must extend their operations and their capital expenditures. Is it possible for a farmer with $7,500 to go out and buy a new tractor and a new combine, or is it possible to buy either one for $7,500?

I suggest that the amount of money now available under this act is not sufficient. I think that statement applies to western Canada and also, though more recently, to the dairy industry in Ontario. That amount of $7,500 is not sufficient to buy a bulk tank and bulk cooler for handling whole milk in Ontario. A few years ago you could go out and for several thousand dollars could buy a cooler plus milking machines. It has become increasingly difficult to pick up for $7,500 a bulk cooler and the tanks and the piping that are necessary. I think it is impossible to do so.

I therefore suggest that if the minister is being progressive he will consider increasing the amount. Oh, there is one member who says it is not true. This may be so. He may rise in his place and say it is not true, if he wishes to do so. He may even point out that $3,000 was too much for the farmer to be able to borrow in 1948. But I think it certainly was not more in 1948 at $3,000 than it is now when we allow $7,500. I suggest that the maximum amount should be $10,000. I should hasten to add that most of the farmers will not borrow $10,000. They are very good businessmen and they know, as the Household Finance people tell the Canadian public, that one should never borrow needlessly. It is foolish to borrow money when you are not obliged to do so. I think the farmer has always been in this position. He is not going to borrow money except when it is absolutely necessary in order that he may stay in business; and in some cases it is going to be necessary to have more money available than $7,500 under this particular act.

There is one last point I wish to make, Mr. Chairman. I would think the minister should give some consideration at this time to the necessary amendment in order to permit farmers to combine to buy farm machinery. This would mean they could get together and co-operate in securing the machinery necessary for their operations. For example, the potato producers in an area may find it necessary to put in a small grading plant and storage facilities. If they could do so co-operatively under the terms of the act by pooling their resources or their ability to borrow, they would then be able to establish their own facilities to handle their own product. There are certainly hon. members here who represent Ontario farmers and who know that if an amendment of this kind were made the pork producers of Ontario would be able to establish on a localized basis small plants for the slaughtering and packing of pork which would make it possible for them to handle the product more economically than at present.

I believe everyone supports this legislation, but I think we should be moving forward and not standing still. There was good reason in the first place to set the maximum amount of loan at $3,000 and later to increase it to $5,000 and subsequently to $7,500. However, this legislation will not be applicable only to 1962 but will apply right through to 1965, and the first hope that Canadian farmers can expect for any alleviation of the problem that has been brought to the attention of the government by the farmers of western Canada

and by the dairy farmers of Ontario will be in 1965. Therefore I think now is the time for the minister to make the change I have suggested. I hope the minister will take this matter into consideration before the bill is introduced and raise the maximum amount of loan to $10,000 per farmer in order to meet needs that appear to be growing day by day. Certainly such an increase will be a necessity by 1965.

Mr. Badanai: Mr. Chairman, I consider this resolution to be of sufficient importance to my constituency to make a few observations at this time. A similar resolution was introduced last year which had the effect of raising the ceiling from $300 million to $400 million for the period ending in June, 1962. As I recall, the bill was given first, second and third readings on May 15, 1961.

According to the Minister of Finance, as found on page 4860 of *Hansard* for May 15, 1961, 80 per cent of all loans cover the purchase of farm implements. This allows the farming community to adapt itself to technological advances in farm machinery, but there is far less effort being devoted to the social impact of the mechanization of farming. Mr. J. C. Gilson, associate professor, department of agricultural economics, faculty of agriculture, University of Manitoba, presented a paper entitled "Strengthening the Farm Firm" to the resources for tomorrow conference held last October 23 to 28. In it he had this to say:

> —there appears to be a serious gap between the technological possibilities of the agricultural industry and the corresponding economic and social adjustments required. This fact, however, does not seem to be fully appreciated. There is an urgent need for research into, and evaluation of, the economic and social aspects of technological progress in the agricultural industry. There is an accompanying need for an education or extension program to help farm people, and society in general for that matter, to understand the implications and consequences of technological change in agriculture. It makes little economic or social sense, for example, to replace labour with machinery in farm production, and then to leave the technologically displaced families or labour resources stranded in agriculture with little hope for productive employment. The creation of the agricultural adjustment centre at Iowa state university is an example of what might be considered for Canada.

I should like to ask the minister to what extent this credit is supplemented by supervisory technical assistance, especially for the young farmers. What does it accomplish? Does a loan made by a bank just become a bookkeeping entry in the government's books, or are such loans actively supervised and technical advice given as to how the new machinery can best be put into the farm organization?

The extent to which farm automation is becoming highly capitalized, aided by this type of legislation, raises the question of how the farmer is going to get his money back out of his investment in his farm. The problem of refinancing the farm every year becomes more complex as more machinery is added. It cannot be solved under this act, but some solution must be found. In this area I think the Minister of Finance should examine every possibility and every avenue in order to find a solution.

Mr. Fleming (Eglinton): Would the hon. member permit a question?

Mr. Badanai: Yes.

Mr. Fleming (Eglinton): Is he not aware that he has strayed into another statute entirely? That type of assistance is available to farmers, particularly young farmers, under the Farm Credit Act, as it is available to veteran farmers under the Veterans Land Act. But here we are dealing with the Farm Improvement Loans Act, which is in a different realm entirely. This is a matter of the government guaranteeing bank loans to farmers for the purposes designated by the act, and that is all that we are asking should be extended. The matters the hon. member is discussing lie under a different statute.

Mr. Badanai: I appreciate the minister's explanation. I was merely pointing out that 80 per cent of the money lent under this act is being used for the purchase of machinery. That is the only reason I brought in the question of the automation and mechanization of farms. I realize that the government has agencies with facilities that are devoted in part to this problem.

However, I have complained on a number of occasions in the past about the lack of consideration given to the farmer, particularly the small farmer, such as those engaged in farming in the district around Fort William. I have said previously, and I say again, that unless a farmer in our district has sufficient collateral it is next to impossible for him to secure a loan to enable him to develop efficiently and economically the agricultural potential of his holding. What I have said about obtaining loans is true also in connection with the purchase of farm machinery. The farmer goes to the bank and tries to negotiate a loan with the bank, but this legislation notwithstanding, on many occasions the farmers in my district are turned down.

Now, Mr. Chairman, I hope I will be permitted to say this because it is relevant to the question we are discussing. The total population of the Thunder Bay district is approximately 140,000, of which less than 6 per cent are farmers compared with an estimated 12 per cent for the whole province of Ontario. With a distinct federal and provincial farm policy, supported by long

term loans, this region could be developed into one of the most desirable farming areas of Canada. Although grain production in the area is very limited, with the great source of livestock feed at local terminal elevators, the area could become a No. 1 livestock producing area in Canada. The distance from marketing facilities could be overcome by the adoption of an equitable freight rate structure.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member is doing exactly what he did yesterday. He is off on the subject of freight rates. What on earth has this to do with the extension of the Farm Improvement Loans Act? Surely there must be some regard for the rules of the house and the simple rule of relevancy.

Mr. Martin (Essex East): That rule ought to be imposed on members sitting behind the minister.

The Chairman: I thought the hon. member was getting off on another subject. This is a very special resolution, and it is not too broad in its terms. The hon. member's remarks should be confined to the terms of the resolution.

Mr. Badanai: Thank you, Mr. Chairman; I shall adhere to your wise counsel. Nevertheless, freight rates have something to do with the welfare of our farmers.

It is true that the area of improved farm land is comparatively small in the district of Thunder Bay. It is approximately 70,000 acres. The reason this area is no larger is the freight rate discrimination, as well as many other difficulties, one of which is the inability of the farmers to obtain loans from the bank. At the moment the farmers of the district are concentrating on dairy products, poultry, eggs, potatoes and so forth. Of course other products are grown, but in the main these constitute the bulk of the products from which our farmers make a living. There is a great potential for expansion of production of fluid milk, potatoes, vegetables, greenhouse products, small fruits and berries of all kinds, mushrooms, poultry, eggs, turkeys, honey and feeder cattle. The establishment of feeder plants for cattle and hogs near our terminal elevators should be considered as a distinct advantage to the area.

Contrary opinion notwithstanding, in the Thunder Bay district we have thousands of acres which could be under cultivation now but which, as a result of lack of promotion and interest, is worthless bush. About 70 per cent of the total farm area is unimproved land, and this percentage compares with 39 per cent for the whole province of Ontario. Only about 20 per cent of the total occupied land is under crops, and this is roughly one half of the provincial average. The lack of development in the farming communities of our district results from an inadequate system of providing funds, without which a farmer cannot expand nor can new farms be developed. Up to the present the experience with the farm loan board has not been of the best.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member is talking about a statute relating to the farm loan board, and there is no provision for such a board under this statute. He is talking about the farm loan board which was under a statute parliament repealed several years ago and replaced by the Farm Credit Act. He is in an entirely different field. Surely the hon. member knows by this time that we are supposed to be discussing the Farm Improvement Loans Act. Could he not confine his remarks to that?

Mr. Chevrier: May I bring one thing to your attention, Mr. Chairman. Surely the minister should not be rising to his feet continually and objecting to the discussion of a measure such as this when the minister asks for the extension of this measure and certain additions to the ceiling. Within these two tests, if I may use that expression, the hon. member has been within his rights in proceeding in the manner in which he has been proceeding. It seems to me that the minister should not be objecting to the hon. member discussing the matter in the manner in which he has been speaking.

The Chairman: I think I have been following the hon. member who has the floor fairly closely. I hope he will make the necessary effort to stay within the ambit of the debate.

Mr. Martin (Essex East): Mr. Chairman, may I just—

The Chairman: Order; I have not completed my remarks. As has been explained to a few members here, this debate is concerned with the extension of the Farm Improvement Loans Act. The hon. member should have ample scope within the confines of that subject matter. I hope he will not embark on a discussion of other statutes, because that would not be pertinent.

Mr. Badanai: Thank you, Mr. Chairman. I have talked about nothing else but farming and farm loans which would help the farmers of my district. That is all I have been talking about. I have expressed the same opinion on several occasions. All we need is more money for our farmers, and the extension of this legislation for an additional three years will be of some help.

However, the difficulty which I wish to point out to the minister is this, and I have pointed it out on several previous occasions. The farmers cannot obtain money from the bank, notwithstanding the legislation which we are passing. Of course I am in agreement with the resolution, and I feel the act should be extended. However, provision should be made to enable the small farmers to take advantage of it. Not all small farmers can go out and buy machinery. I should say this in closing, because I do not want to irk the minister too greatly—in fact I am just trying to help him along—

Mr. Pickersgill: He needs it.

Mr. Badanai: I am trying to help the Minister of Finance with his responsibilities. He is responsible for this farm policy because it requires money to implement it, and that is his department. I suggest the minister should be just a little more generous in his attitude toward the extension of credit to farmers. I have a great deal of regard for the farmers of Canada, the small farmers of Canada who have not been taken care of under this legislation. There are quite a number of people who would like to establish themselves on farms but who are unable to borrow the money necessary to purchase a farm. Where can you find a better place to raise a family than on a farm? There is plenty of space if you wish to have a large family, and there is a place to grow the things people need.

An hon. Member: I don't believe you ever saw a farm.

Mr. Badanai: I have never been a farmer, and I am free to admit it. I can see that hon. members over there appreciate this. Nevertheless I admire the people on the farms, and I envy them sometimes. They are so peaceful, and there is so much land around them. All they need to make them happy now is enough money to improve their holdings and establish them firmly on the land. Up to the present we have failed to establish an equitable policy of farm assistance in areas such as northwestern Ontario. This is the crux of the question so far as I am concerned.

Mr. McMillan: Yesterday the minister said that $58 million or slightly over half the amount of loans made available to farmers was used for the acquisition of farm machinery, for tractors, combines and hay balers. I think last year when the Farm Improvement Loans Act was being amended in a similar manner one of the members of this house, I cannot recall which one but I think it was the hon. member for Grey-Bruce, called the attention of the minister to the fact he was aware of a number of cases in which farmers had incurred debts for farm machinery and the machinery had been destroyed by fire before the debts could be retired, but there was no insurance to cover the machinery in question.

Two or three such cases have come to my attention, where the farmer had to retire his debt with depleted resources because of fire. A farmer might have a blanket insurance policy on machinery, and I have been told—I am not absolutely sure that this is the case—that with a number of these mutual companies with which farmers place their insurance, machinery such as a combine or a hay baler would not be included unless it were specifically stated in the application or unless an application to have these particular machines included were filled out later and sent in to the company. Some of these farmers are not aware of this aspect of their insurance. They may have been aware of it but they have forgotten about it. There are also other reasons why a farmer would not have this machinery covered by insurance.

I do not know how often this occurs but I know of two or three cases, and I think the hon. member for Grey-Bruce said he was also aware of some of these cases when this matter was up for discussion last year. I think some provision should be made by which banks could see that new machinery bought on credit is covered either by the farmer's own insurance company or by some sort of blanket policy.

I am not raising this matter as any criticism at all of the operations of the farm loan board. I do think, however, that some consideration might be given to this question, and I would like the minister to make some reference to it when he replies. It is often quite difficult to get the minister to reply to any questions.

Mr. Martin (Essex East): It is impossible sometimes.

Mr. McMillan: I know that last year—

Mr. Pickersgill: He does not know the answers.

Mr. McMillan: —he did not reply to the hon. member for Grey-Bruce, a member of his own party, unless he did so outside the house. I would appeal to the minister to reply to these observations.

An hon. Member: The hon. member for Grey-Bruce always got an answer.

(Translation):

Mr. Tremblay: Mr. Chairman, I should like to congratulate—

An hon. Member: Another farmer.

Mr. Tremblay: —very warmly the Minister of Finance (Mr. Fleming) for the bill he has introduced.

Since I am not a mortician by profession, I can talk about agricultural policy. However, I am not posing as an expert, but I should like to make a few remarks about this bill. I do so in order to clarify a situation, because as I interjected a few minutes ago, in the course of an hon. member's remarks, I am not shy about participating in discussions on agricultural problems; it is just that, not being an expert, I am always reluctant to deal with matters with which I am not technically familiar.

However, I feel ill at ease in the face of that easy demagogy being practised on the theme of agriculture as applied to the province of Quebec.

I see Liberal members who are now bent on proving that the Conservative government is putting eastern farmers in an unfavourable position as compared to western farmers. That is easy demagogy, and I do not intend to follow the previous speakers on that ground. But I should like to point out a statement made by the hon. member for Drummond-Arthabaska, to the effect that the Minister of Finance is boasting that the government is putting more money at the disposal of farmers under the form of loans.

From that, he infers that it is a sign that agriculture is in a bad situation in this country.

I do not believe, Mr. Chairman, that the fact that farmers may borrow more money and that more money is being put at their disposal is a sign of a bad situation; on the contrary, it is a sign that the Conservative government wishes to correct by this means a situation which had gone on for several years, I would even dare say a situation which had gone on for about 20 years, and which had been kept so by the Liberal government.

If farmers, when the Conservative government put greater amounts of money at their disposal, hastened to take advantage of this measure, it is that they were in urgent need of it, considering the situation in which they had been placed in the past.

That is why I am glad to congratulate the Minister of Finance for having put more money at the disposal of our farmers.

It was pointed out earlier that larger amounts are now being granted in loans. In addition to this, the provisions have also been extended to other groups of farmers, such as poultry farmers and beekeepers.

In my opinion, that is one of the beneficial aspects of the farm legislation implemented by the Conservative government.

I know, Mr. Chairman, that speeches delivered in this house in season and out will not improve in any way the situation of farmers. It is not the demagogic statements made in and out of season by those who, for 22 years, did not care too much about Quebec farmers, that will improve the situation; it is rather by making representations, by taking efficient steps and by bringing pressure to bear on members of the government that hon. members will call the latter's attention to the needs of our farmers.

Mr. Martin (Essex East): Order.

The Chairman: Is the hon. member for Essex East rising on a point of order?

Mr. Martin (Essex East): The hon. member is not discussing the matter under consideration.

The Chairman: I have been following quite closely the remarks made by the hon. member for Roberval and it seems to me that they are quite related to the matter under consideration. If he wanders away I will try to call him to order.

Mr. Martin (Essex East): He seemed to be wandering away.

Mr. Tremblay: Mr. Chairman, because of his timidity, the hon. member for Essex East has been unable to make his point.

I can assure you that I have no intention of entering upon a general debate on agriculture. I merely wish to make a few desultory remarks on this bill.

Before I conclude, there is one point on which I should like to insist. The entire farm policy of Canada should be reconsidered. As the hon. member for Drummond-Arthabaska stated a while ago, there has been a lack of planning in that field. He was right of course in saying that, because from 1935 on, there was a real lack of planning in the field of agriculture—

The Chairman: I think that if the hon. member embarks on a discussion of that matter of planning or of farm policy in general, he is not speaking to the point.

Mr. Tremblay: Thank you, Mr. Chairman. I merely wanted to point out that there was no planning. But the legislation that the Conservative government introduced these last few years, along with the bill he puts to the house today, are an effort to solve that problem and to use sound planning

as more important aspects of our farm problems are brought up. And, as I said, I do not think, as far as I am concerned, it is necessary to rise at every turn in order to discuss farm problems in this house.

Every time farmers in my area, in my constituency, made representations, I lost no time in discussing the matter with the government authorities. In this respect, we obtained things for which farmers in my constituency, in our area, had been waiting for 22 years. I could mention, in passing, for the information of the hon. member for Drummond-Arthabaska, subsidies for the transportation of feed grains which they had been expecting for years under the Liberal regime.

To come back to the point I had in mind, once again I wish to thank the Minister of Finance and to convey to him the appreciation of the farmers in my constituency. I have had the opportunity, in the house, to point out that, since the Conservatives came to power, our farmers' lot had improved. At that time, however, I had underlined the fact that all was not perfect, far from it.

Our friends in the Liberal party have delicate feelings that are not far removed from guilty feelings; that is why they pounce on any argument to go into their familiar demagogy. I think that the policy followed by the Conservative government, under the guidance of the Minister of Finance and the Minister of Agriculture (Mr. Hamilton), is an effort towards a practical, efficient and dynamic solution of the whole problem facing the agricultural community in my constituency, in our province and in our country.

Mr. Boulanger: Mr. Chairman, I should like to ask the hon. member for Roberval a question. Can he tell us if the farmers in the Lake St. John district are satisfied to get one half cent less than the Ontario farmers for their cheese.

Mr. Pigeon: That bears no relation to the legislation now under discussion.

The Chairman: I will not allow the hon. member for Roberval to answer that question because it is irrelevant to the resolution being studied.

(Text):

Mr. Matheson: The remarks of the hon. member for Roberval demand that the problem posed by this bill be shown in better perspective. I refer to the report of the royal commission on Canada's economic prospects, better known as the Gordon report, which points out that farm output between 1935-39 and 1940-1944 increased by some 30 per cent as a result of much more intensive cultivation. The rapid mechanization of Canadian agriculture since the end of the war has involved larger cash outlays for a great many things, particularly machinery, and there has been a considerable technological revolution in farming, with heavier purchases of commercial feeds, seeds and fertilizers. This has resulted in a substantially increased capital structure on even the small farm. The commission found that in every province farming had become much more highly capitalized and that the capital is increasingly concentrated in machinery, implements and livestock rather than in land and buildings.

This is the most spectacular change we have seen in Canadian agriculture. The mechanical revolution has come to the farm and made a great many changes. This has been so in all walks of Canadian life and it is certainly so even in eastern agriculture, the depressed area of agriculture today. The Gordon commission said it appears likely that the technological changes of most importance over the next 25 years will be those designed primarily to increase the productivity of nature rather than the productivity of labour. It will be seen that much mechanical equipment has gone on to the farms; that there is less labour used, while the units of land are larger. There has been a rapid trend toward fewer farms, and this trend is likely to continue. The commission came to the conclusion that the number of farms in Canada, which in 1951 numbered 623,000, might decline to 570,000 by 1965 and to 540,000 by 1980. The conclusion was reached that the size of the average farm in 1980 would be 326 acres compared with an average size of 279 acres in 1951.

Following this study which, the committee will remember, took place in 1956, the chairman of that commission, Mr. Walter L. Gordon, wrote a book called "Troubled Canada". In it he said that in the ten years since 1950 employment in agriculture had dropped by one third. He concluded that the agricultural industry was going through a period of drastic change amounting almost to a revolution. He says it is important that this transformation be as gradual as possible and that it should be facilitated by capital changes whenever this can be done, so that the hardships that are bound to occur when people leave the land may be eased to the greatest extent of which we are capable.

The really serious problem is this. As these farmers across Canada are readjusting themselves to an extent never known before in our agricultural experience, they are caught by the squeeze between the rising prices

they must pay for the goods they require and the falling prices received for the goods they have to sell.

Mr. Pallett: What is the date of the article the hon. member referred to?

Mr. Matheson: The book was published, I believe, in 1961.

Mr. Pallett: The author is a Liberal candidate now.

Mr. Matheson: It is a fact that the author of that book feels it to be his duty to enter practical politics today, but I think the evidence of figures supplied by the dominion bureau of statistics will substantiate precisely the claims he makes. With respect to the cost-price squeeze referred to by the author, the index of farm prices of agricultural products stood at 231.3 during 1956, the last full year of Liberal administration, as compared to 243.3 during 1961. This represents an increase of approximately 5 per cent in the prices received by farmers from the sale of their products.

Mr. Fleming (Eglinton): On a point of order, Mr. Chairman, another hon. member opposite is treating this debate just as though it were a general debate on agriculture, saying anything he pleases on the subject of agriculture in general. Again I urge that the rule be enforced. We are dealing here with a resolution respecting one particular statute, the Farm Improvement Loans Act. We are not dealing with agriculture in general, and this is not a debate on the estimates of the Department of Agriculture.

Mr. Pickersgill: I wish to say something on the point of order raised by the Minister of Finance. I would draw your attention to the fact, sir, that you yourself on three separate occasions had to call the hon. member for Roberval to order because the Minister of Finance did not take the trouble to direct your attention to the fact that a follower of his who was licking his boots at the time was paying no attention whatever to the measure.

The Chairman: Order. I trust the hon. gentleman will confine his remarks to the point of order that is presently before us.

Mr. Pickersgill: I intend to, sir. I merely suggest that since hon. members on the other side of the house have been allowed to range widely and wildly on this subject, the same treatment should be given to hon. members on this side of the house.

The Chairman: Order. I trust that the hon. gentleman did not really intend to say what his remarks appear to convey, because the Chair has devoted much effort to attempting to be fair to all sides of the house. As far as the point that has just been raised is concerned, I believe the hon. member for Leeds will wish to relate his remarks to the matter under discussion. Probably he is just laying a foundation for remarks that are pertinent to the resolution, and I trust he will deal with the resolution before long.

Mr. Pickersgill: On a question of privilege, Mr. Chairman, I would not wish Your Honour to think I was attempting to reflect on the Chair.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Perhaps I may be permitted to continue. I realize that Your Honour was making a valiant effort to treat both sides of the house in the same way. What I was drawing attention to, sir, was the partiality of the Minister of Finance.

An hon. Member: You are a fine one to talk.

Mr. Fleming (Eglinton): Blabbermouthing from Bonavista-Twillingate.

Mr. Pickersgill: One law for one side of the house and another law for the other.

Mr. Matheson: Mr. Chairman, I hope to draw my remarks to an early conclusion. At precisely the moment of change to which I referred the cost-price squeeze is more significant than ever before. The index of farm prices of agricultural products stood at 231.3 during 1956 as compared with 243.3 during 1961. This represents an increase of approximately 5 per cent in the prices received by farmers from the sale of their products. On the other hand, the price index of commodities and services used by farmers increased from 230.3 in 1956 to 258.3 in 1961, or by about 12 per cent. Thus while the price of products sold by farmers increased by only 5 per cent, the prices of products bought by farmers used in production increased by 12 per cent. The farmer's costs have thus gone up twice as fast as the prices he receives.

The problem of the rising prices of machinery and other farm costs is sufficiently serious that the Canadian Federation of Agriculture as recently as February 7, 1962 made the following submission to the government:

> Farm improvement loans.
>
> In view of rising prices of machinery and other farm costs, and the continuing technological advance that is increasing the capital investment in machinery and equipment needed for efficient farming, the Canadian Federation of Agriculture believes the present loan limit for farm improvement loans of $7,500 should be raised, perhaps to $10,000. The raising of the maximum loan limit

only makes possible such loans where they are reasonable and necessary for good farm business and investment practice.

A valuable study group called the Ontario farmer-labour conference met at Port Elgin on June 18-19, 1960, comprising representatives of labour and farm organizations. One of the guest speakers was Hon. W. A. Goodfellow, minister of agriculture for Ontario. I was impressed by his remarks, which are set out in the report of the conference at page 35. Referring to farm production Mr. Goodfellow said:

> But in spite of the fact that we have a much smaller area in production, we are producing approximately 34 per cent more than we did in 1946. From 1941-1956, the number of Ontario farms reporting motor trucks and tractors nearly tripled. The number reporting grain combines increased 20 times. At the same time 38,000 farms had ceased to operate in the province of Ontario. Those are rather revealing figures. In 1900 a farmer fed, including his own family, nine people. A farmer in the province of Ontario this year through mechanized equipment, better farm management, better productive methods, will feed approximately 36 people

This illustrates the startling change to which I have referred. An interesting study of the province of Ontario is reported in the Canadian Imperial Bank of Commerce commercial letter No. 2 of February, 1962. Referring to the situation of Ontario farmers the report states:

> Coincident with the rising production of Ontario farmers there has been a gradual decline in the total farm acreage and in the number of farms, and a fairly marked increase in the average size of holding.

The report goes on to speak of the improvements technology has made possible and the decreased labour requirements. These factors have left a large problem. That is, how is the farmer, particularly the farmer in the east, going to survive? As a previous speaker on this side has indicated, it is not good enough for the government to assist only the farmer in the west.

The annual report for 1960 relating to the Farm Improvement Loans Act published by the Department of Finance contains some interesting figures in a table set out at page 13. The table reveals that there has been a decline in the number of people in the province of Ontario obtaining loans under this act from 12,874 in 1959 to 11,881 in 1960. The value of these loans in Ontario has declined from $19,109,964 in 1959 to $18,737,174 in 1960. In Ontario there has been a substantial drop both in the number of applications and in the amount of loans. There has been a substantial increase in the loans extended in the province of Saskatchewan, but in the national picture we find that in 1960 as compared with 1959 there has been an increase in the total amount of money lent under the act of less than $3,500,000. It is difficult to examine those figures and have them make much sense in the light of the comments made by the hon. member for Roberval.

Recently the constituency of Leeds was honoured by a visit from the Minister of Trade and Commerce. The *Recorder and Times* of February 22, 1962 carries a report of the minister's address which indicates that he devoted his attention particularly to the problem of eastern agriculture. The article is entitled "Hees Would Help Leeds Farmers".

Mr. Martin (Essex East): My goodness.

Mr. Pickersgill: That is a joke.

Mr. Matheson: The article states:

> A program of rehabilitation and development of now useless farm lands in Leeds county is planned by the federal government, Hon. George Hees, Minister of Trade and Commerce, told Wednesday's Progressive Conservative nomination meeting in the civic auditorium.

The minister is reported as having said:

> In the county of Leeds, one of the great historic agriculture counties of Ontario, it is well known that many of our farms are abandoned because of lack of opportunity to survive in traditional agriculture.

The minister then went on to refer to the A.R.D.A. program.

It is recognized that eastern farmers must go into greater capital development as a means of survival. Many farmers are equipping themselves with milk sheds, not because they want to nor because it will increase their returns, but because they are compelled to. The dairy farmer may have to instal refrigerated storage tanks which cost approximately $2,500; otherwise a milk plant may terminate its contract. We are already beginning to experience this in Leeds county. I have received a number of complaints from my constituents indicating that they are worried lest they may have to make further capital outlays not to increase their returns but simply to maintain the minimum standards of return they are receiving today.

A highly qualified expert in dairy matters is a new Canadian by the name of Pieter C. D. Toxopeus, who recently addressed himself to the question of the amount of return the farmers in Leeds are receiving per hour. This ranged from 30 cents an hour to approximately 80 cents, which is unreasonable on the basis of any computation. Today we find there are organizations being formed such as the Protection of Eastern Canadian Agriculture Incorporated of St. Hyacinthe in which we are participating because the situation in my area has become extremely critical. We know that the dairy situation is more serious than it has ever been previously. In the case of mill feeds, we have prices skyrocketing at the end of January and yet—

The Chairman: Order. I think the hon. member is now discussing eastern agriculture in a general way and is not relating his remarks at all to the resolution which has to do with the Farm Improvement Loans Act. I would therefore ask him to confine his remarks to this particular resolution and not to enter a wider field as he seems to have been doing in the last few minutes.

Mr. Matheson: Mr. Chairman, I should certainly like to address myself to the key problems. We have tried to put these problems before the house and before the committee. We are concerned that the simple policy of lending more money to people who are going deeper and deeper into debt is not really getting at the heart of this problem at all.

The Chairman: Order. The hon. member will have on other occasions an opportunity to raise these matters. However, at this particular juncture we are considering a specific resolution. The limits of the discussion were touched upon and explained not very long ago. I would ask the hon. member to cooperate with the Chair so that the rules of this House of Commons may be observed.

Mr. Matheson: Mr. Chairman, I shall do so. There is a Chinese proverb which says that one learns to itch where one can scratch. We are grateful for anything that will add in any small way to the possibility of declining eastern agriculture at least surviving over these very difficult years.

Mr. Danforth: Will the hon. member permit a question?

Mr. Matheson: Certainly.

Mr. Danforth: I listened with a great deal of interest to the hon. member for Leeds giving his essay on agriculture. However, I failed to understand whether he is or is not in favour of this resolution. I wonder whether he would care to answer that question.

Mr. Martin (Essex East): He just said so in the last minute. He cannot give the hon. member understanding.

Mr. Horner (Acadia): This debate has ranged far and wide, and I do not intend to contribute or add to your difficulties in trying to control it, Mr. Chairman. However, there are a few remarks I should like to make on this subject. The matter of farm credit is one that concerns all farmers. Being a farmer myself, this matter really concerns me. The hon. member for Drummond-Arthabaska talked about everything. He said specifically that he could talk about farm problems for two days. However, he failed to talk for one minute on this particular measure. Whether or not that fact was owing to some problem he had in understanding it, I do not know. However, I tried desperately to gather some of the thoughts he might have on this particular resolution and failed to do so. Possibly it was my fault; I do not know.

The hon. member for Timiskaming stated that he thought the loan maximum should be increased in amount to $10,000, complained that the government was continually bringing in measures such as this one, and expressed the opinion that it should be put on the statute books permanently so that the money would be there whether the government appropriated it or not.

This measure is similar to others which have come before the house in past years. Its purpose is to establish $400 million as the limit of guaranteed loans under the Farm Improvement Loans Act. Previously, the limit was $300 million. Actually last year $101 million were lent under the Farm Improvement Loans Act. We are again establishing the act to take effect from 1962 until 1965. One good reason for doing this is that if loans continue to be made at the rate at which they were made last year, namely at the rate of $101 million a year, for the next three years, they would possibly exceed the $300 million limit that was established under this act. We are therefore increasing it in order to allow farmers to borrow without any halt under this act for purposes which they feel are feasible.

With regard to the $10,000 limit placed on each farmer may I say this. Actually in the west today we are seeing a trend away from heavy capitalization of equipment. I firmly believe that most western members here will agree with me on this matter. Perhaps the hon. member for Drummond-Arthabaska and the hon. member for Timiskaming do not realize that fact. The farmers are looking around and are buying better combines that are not self-propelled. They are buying them with power take-offs. With the advent of the power take-off being a common thing in large tractors, farmers are going back to the power take-off combine rather than the self-propelled combine. Therefore I think it is quite feasible for a farmer to buy a new combine and a new tractor, provided he has some down payment; and most farmers are trading in a tractor. I think it is quite feasible for him to buy under the limit to which we have increased, namely $7,500. While there are no doubt a number of farmers who would like to see the limit established at an even higher figure, may I say that those are large farmers. As has been pointed out in this debate, the average loan under the Farm Improvement Loans Act is something like $1,497 or about $1,500. The average farmer would likely be paying on three or four loans

at one time. It has been customary for the banks in western Canada particularly to lend on a three year basis amounts under $4,000. If a farmer borrows more than $4,000 on a new combine, building, repairs or a new tractor, the banks generally try to work it out over five years and so on. The number of years bear a relationship to the amount of money lent. I feel, of course, that this bill which will increase the amount will have an effect and will allow the farmers to continue to borrow money.

We had from the hon. member for Fort William a talk with regard to farm credit. However, I think his whole speech dealt with the farm credit corporation rather than with this particular Farm Improvement Loans Act. I think there is evidence under that particular piece of legislation that this government is making major strides forward in increasing loans and in increasing the money available to farmers for the purpose of establishing themselves as an economic unit. I think the interesting thing about this particular measure and the operations under it last year is that 42 per cent of the borrowers obtained money for the first time under the Farm Improvement Loans Act. To me this is a very surprising thing. I was under the impression that most farmers in western Canada have been using this particular piece of legislation for years in order to buy their machinery. However, under last year's operation 42 per cent of the borrowers used this legislation for the first time. I think this is a very encouraging thing. This is a worth-while piece of legislation and one which will enable the farmers to become more mechanized at a reasonable cost to them.

Another very encouraging thing is that more farmers borrowed money last year under the Farm Improvement Loans Act in order to purchase livestock. Here again I think they are moving in the right direction.

The hon. member for Leeds made a scholarly speech about agriculture. He relied on some more of his scholarly colleagues to deal with the agriculture problem. I would suggest to him that if he relied on a few more farmers in the future, he might get the facts a little bit straighter. He discussed farm prices but I do not intend to go into that matter at all. However, he quoted some figures from the dominion bureau of statistics which are as yet not up to date. He was confused about table 13 in the annual report as to why Ontario farmers had taken out fewer loans this year and Saskatchewan farmers had taken out more loans than last year, and so on. This depends to a great extent on when the machinery wears out. I do not think we should encourage farmers to take loans unless they need new machinery. It has been a common fault of a lot of farmers over the years to borrow money and buy new combines when it was questionable whether or not they needed to do so. Without a doubt the reason why Saskatchewan farmers borrowed more money last year by taking advantage of this legislation was the fact that the cycle of use of given machines was running out.

One can go back into the history of farm machinery purchases and see that in the case of the province of Saskatchewan 1952 and 1953 were heavy years with respect to the buying of machinery. This machinery has now lasted eight or nine years. It is wearing out and the farmers are purchasing similar machinery. That is why there were more loans in Saskatchewan last year than the previous year. I think the same thing may hold true for Ontario farmers who are no doubt operating on a somewhat different cycle.

The hon. member suggested at one time that farmers were not borrowing enough. He was disappointed that in Ontario loans had gone down by approximately $1 million. However, just before ending his speech he said that we cannot lend the farmers money thus increasing their debt and expect them to get out of their troubles. The hon. member left me confused with respect to whether he was in favour of more money for the farmers or less money for the farmers.

He spoke at some length about the dairy farmers in his area needing new milk plants and suggested that this would not increase their net earnings to any great extent. Certainly it would increase the efficiency of their dairy operations and this should be their guide in deciding whether or not they will take out loans. I sincerely support the resolution because I feel it is a very necessary one, having in mind the fact that farmers are taking advantage of this legislation in increasing numbers.

(Translation):

Mr. Robichaud: Mr. Chairman, the house is now considering a resolution for the introduction of a measure to amend the Farm Improvement Loans Act to provide for guaranteed loans during the period July 1, 1962 to June 30, 1965, and to set at $400 million the limit of those guaranteed loans.

Under the existing act, only chartered banks are allowed to make such loans. On different occasions, when this act was under consideration in the house, and especially when it was amended in 1959 and 1960, representations were submitted to the Minister of Finance urging him to include the caisses populaires.

As the Minister of Finance knows, in most agricultural centres credit unions lend more and more to farmers of their respective areas, and in a large number of agricultural centres, there are no chartered banks where farmers could do business. Since the bank managers do not even know them, farmers cannot secure loans under this legislation.

The minister will perhaps reply that the caisses populaires come under the provinces but I should like to know just the same if he intends to include them in this resolution and, if not, I would ask him to tell the house his reason for not doing so.

(Text):

Mr. Argue: Mr. Chairman, I have a few remarks I should like to make on this measure at this time. It is one of those measures that have come before parliament periodically throughout the years and it has been of very great benefit to the farmers of this country. It is a type of act that has been based on co-operation between the federal government and the chartered banks and it has been a very useful measure indeed. Farmers have obtained the necessary credit for many aspects of farming at a nominal rate of interest and the banks, encouraged by the government guarantee and by the present Minister of Finance and his predecessors, have been very active in the lending field.

When the act was first placed on the statute books in 1945 the maximum loan was $3,000.

An hon. Member: 1944.

Mr. Argue: The maximum loan now is $7,500, which maximum was placed in the act some three years ago. I should like to ask the minister to indicate when he comments whether any consideration has been given to increasing the maximum guaranteed loan from $7,500 to $10,000 as has been requested by a number of farm organizations. As a matter of fact, the Canadian Federation of Agriculture in their submission to the cabinet on February 7, 1962, had this to say in appendix N entitled "Farm Improvement Loans":

> In view of rising prices of machinery and other farm costs, and the continuing technological advance that is increasing the capital investment in machinery and equipment needed for efficient farming, the Canadian Federation of Agriculture believes the present loan limit for farm improvement loans of $7,500 should be raised, perhaps to $10,000. The raising of the maximum loan limit only makes possible such loans where they are reasonable and necessary for good farm business and investment practice.

The main use made of the legislation has been in the purchase of farm implements, and I think it is correct to say that machines that could be purchased for a total of $3,000 in 1945 now cost very nearly $10,000. Today's machines may be somewhat larger and more efficient, but there has been a tremendous increase in the price of farm implements and I think the Canadian Federation of Agriculture has made a reasonable and sensible request, namely that the maximum be increased from $7,500 to $10,000.

Farmers have demonstrated that they are very excellent credit risks. Under the act they have borrowed more than $1 billion up to the end of 1960, the last year for which a report is available, and the claims paid by the government have amounted to only one tenth of one per cent. This demonstrates that farmers are a very good credit risk. It also demonstrates that the banks have been prudent in making these loans, and it is an indication that this has been farsighted legislation on the part of government, legislation that is valuable and should be improved. I would hope that the minister will consider the suggestion of the Canadian Federation of Agriculture. Farmers are caught up in a very rapid technological revolution at the present time. The mechanization of farms is continuing at an ever accelerated rate. I think that to increase the maximum to $10,000 would merely recognize this existing fact.

I should like to ask the minister for some information if he has it, either at this stage or at a later stage, as to the number of repossessions of farm implements made under the act, the disposition of those farm implements and the personal claims on the borrowers following the disposal of these implements.

Mr. Fleming (Eglinton): Over what period?

Mr. Argue: The last three or four years would be satisfactory. I want to be quite frank with the minister. I have not had this matter brought to my attention in recent days, although a year or so ago there were a number of complaints by farmers that bankers were unduly pressing collections in the light of poor crop conditions and adverse market conditions. I would hope that a reasonable amount of discretion is being used by the bank in the collection of loans and that the repossession of farm implements takes place only as a last resort. One of the complaints of the farmers is this, that when a banker repossesses a combine, shall we say, he very often sells it rather quickly. In the opinion of the farmer the banker often does not get the full resale value of the machine and this, of course, means that the farmer who borrowed the money in the first place has to repay a larger sum.

I am not putting this forward, Mr. Chairman, as something that is a very serious,

widespread or aggravated problem. It is a problem which crops up from time to time, and I should like any information the minister can provide on this point. Before I sit down, I should like to repeat that I feel the Canadian Federation of Agriculture is fully justified in asking for an increase in the maximum guaranteed loan.

Mr. Peters: I was interested in the comments made by the hon. member for Acadia. I wonder if he has given consideration to the fact that money borrowed for the purpose of purchasing livestock, unless it is for breeding stock, is usually borrowed for a short period of time. I wonder if he has considered the fact that the $400 million available is to cover losses guaranteed by the government and the guarantee covers 10 per cent of the amount borrowed under this particular section.

In so far as farm machinery is concerned, the other day I inquired of a farm organization what they considered the average would be for loans under this act for the purchase of farm machinery. They were of the opinion it would be fair to say that the borrowing period would not be 10 years but would be somewhere between three and five years. Under normal circumstances, the farmer would be able to make repayment in that period of time. Obviously if a farmer were to use the loan for the purchase of livestock the period of the loan would not run to ten years but would probably be closer to three years. I would think, therefore, that the amount of money being borrowed would have very little relationship to the $400 million. In my opinion, it is not correct to say that the $400 million will be used up after three or more years because this year we will be using something over $100 million. I would suggest that, at the end of three years, most of this money will have been repaid and the banks will no longer be requesting the 10 per cent guarantee from the government. I suggest that if this is true, then the money can be used as a sort of revolving fund and the amount used would continue to average about $100 million a year.

If this is the case, perhaps the government should be asking for a larger sum of money now. When the minister replies, I think he should bear in mind what the hon. member for Acadia has said. What the hon. member has said may be true in western Canada where other factors are involved. If the loans are not repaid in the normal period of from three to five years, it may be necessary to have more money available. I know of a farmer in western Canada who has been looking for a sizeable amount of money with which to buy livestock. He has the opportunity of going into this business on a fairly large scale. His desire is to borrow the money for three years because, in his words, if he has not made it in three years then he will be carrying his cattle at a loss.

I would suggest that the minister give consideration to this, as well as to the other matters mentioned. I compliment the hon. member for Acadia upon his restraint in asking his own minister to meet this additional request. However, I certainly will make it on his behalf because of his modesty.

The Chairman: Order; I regret to interrupt the hon. member, but it is five o'clock. It is my duty, therefore to leave the chair in order that the house may proceed to the consideration of private member's business, pursuant to section 3 of standing order 15.

PRIVATE BILLS

COCHIN PIPE LINES LTD.

Mr. Terry Nugent (Edmonton-Strathcona) moved the second reading of Bill No. S-6, to incorporate Cochin Pipe Lines Ltd.

He said: Mr. Speaker, by this bill a group of Edmonton people ask parliament to incorporate them as a body for the purpose of undertaking a study and building a pipe line between the provinces of Alberta and Saskatchewan. I wish to assure the house that the owners of this company are all Edmonton residents and Canadian citizens. The pipe line company is going to be completely owned and built by Canadians, operated by Canadians, and in so far as forseeable plans are concerned it is strictly for carrying petroleum products between the provinces of Alberta and Saskatchewan.

At present the actual construction plans are not complete because in order to finalize their plans it is necessary to carry out a marketing and feasibility study. The pipe line will run roughly between the area of Hughenden, Alberta, and Melville, Saskatchewan, a distance of 300 or 400 miles. It will connect a couple of natural gas reservoirs, and it is intended that they should carry what are called the light ends of gas, the butane, propane—the l.p.g's in other words. The pipe line will not interfere or compete with any other existing pipe line.

The bill as it now stands is in the usual form, with the usual powers that a pipe line body seeks, including the power to export, because they feel that with the development of the uses of these types of gases and their marketing there may well come a day in the not too distant future when there may be a market in the northern part of the United States, and they would not want to come back to ask for that power if at that time it was found good business to go further.

I wish to point out to the house that before they could undertake the construction it would be necessary to have the approval of the conservation boards of Alberta and Saskatchewan, and that all this house is being asked to do is allow them to become a body which can invest the necessary moneys to carry out feasibility studies to see if they can do it, and to carry on further with their plans.

This bill will be referred to a committee and we will have the opportunity of questioning the proposed president of the company, and all technical questions will be answered at that time. I can answer a few of the questions, if any hon. member has any. I hope that the house will encourage these enterprising Canadians who are keeping Canadian money at home and putting it to work on Canadian products, which I think will greatly benefit our part of the country.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

MUTTART DEVELOPMENT CORPORATION LTD.

Mr. Speaker: Is the hon. member for Davenport (Mr. Morton) asking leave to move second reading of this bill for the hon. member for Parkdale (Mr. Maloney)?

Mr. Morton: Yes, Mr. Speaker.

Mr. Speaker: I take it that this is at the request of the hon. member for Parkdale?

Mr. Morton: Yes.

Mr. Speaker: Does the house consent to the hon. member for Davenport moving second reading of this bill?

Some hon. Members: Agreed.

Mr. Morton (for Mr. Maloney) moved the second reading of Bill No. S-7, respecting Muttart Development Corporation Ltd.

He said: Mr. Speaker, the purpose of this bill is to convert Muttart Development Corporation Ltd., which was incorporated by letters patent issued by the Secretary of State for Canada dated August 21, 1958, into a loan company so that it will have all the powers, privileges and immunities conferred by and be subject to all the limitations, liabilities and provisions of the Loan Companies Act. The name of the company is to be changed to Muttart Mortgage Corporation.

There is also a provision in the bill to increase the capital stock to $6 million; it is now $2 million. There is also a provision to convert the 2 million shares with a par value of $1 to 200,000 shares with a par value of $10. This is brought about because of an amendment last year to the Loan Companies Act which restricted the objects of the company as it stood. As a result of that amendment and in order that it may continue the purpose for which it was originally incorporated, it must now be brought under the Loan Companies Act.

Motion agreed to, bill read the second time, and referred to the standing committee on banking and commerce.

SUN LIFE ASSURANCE COMPANY OF CANADA

Mr. Speaker: I take it that the hon. member for Charlevoix (Mr. Asselin) is asking leave to move second reading of this bill on behalf of the hon. member in whose name it stands, with his consent. Is it agreed that the hon. member may move the motion on behalf of the hon. member for Quebec-Montmorency?

Some hon. Members: Agreed.

Mr. Asselin (for Mr. Lafreniere) moved the second reading of Bill No. S-8, respecting Sun Life Assurance Company of Canada.

Some hon. Members: Explain.

(Translation):

Mr. Asselin: Mr. Speaker, the sole purpose of this bill is to change the French name of the company from Compagnie canadienne d'assurance sur la vie dite du Soleil, to Sun Life du Canada, compagnie d'assurance-vie.

As may be seen in the bill's preamble, such change in name shall not in any way impair, alter or affect the rights or liabilities of the company, nor in any way affect any suit or proceeding now pending, or judgment existing, either by, or in favour of, or against the company, which, notwithstanding such change in the name of the company, may be prosecuted, continued, completed and enforced.

(Text):

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

HOUSE OF COMMONS ACT

AMENDMENTS RESPECTING INTERNAL ECONOMY COMMISSION

Mr. Frank Howard (Skeena) moved the second reading of Bill No. C-17, to amend the House of Commons Act (internal economy autonomy).

He said: Mr. Speaker, I mean nothing disrespectful to Your Honour by this, but I think it is a fact that, contrary to common

opinion and common understanding, you are not a free agent in the discharge of your duties and responsibilities, to the extent that you have along with you in the exercise of some of your duties a number of ministers of the crown who participate with you in coming to some decisions.

The house and its environs are supposed to be under your authority Mr. Speaker, but I submit that by virtue of the House of Commons Act which this bill seeks to amend, such an understanding is, in reality, a fiction because there is working with you in connection with some matters a group called the commissioners of internal economy sometimes referred to facetiously as being the commissioners of infernal economy—yourself excluded from that facetious reference. Section 18 of the House of Commons Act provides the following:

> All sums of money voted by parliament upon such estimates or payable to members of the House of Commons under the Senate and House of Commons Act, are subject to the order of the commissioners, or any three of them of whom the Speaker shall be one.

We see from this that even after parliament approves the estimates of expenditure with regard to certain matters which come under your jurisdiction, the money voted is still subject to cabinet interference and influence as to the manner in which those funds are to be expended.

As was transmitted to the house by the Prime Minister (Mr. Diefenbaker) on opening day, the commissioners of internal economy are the Minister of Finance, the Minister of Veterans Affairs who is also the leader of the house, the Minister of Transport and the Minister of Citizenship and Immigration. I say that in effect this allows for cabinet dictatorship and cabinet control over certain functions of the House of Commons and certain activities of ours. I say this is not compatible with our sense of democracy and is not compatible with our desire to have a Speaker free and unfettered by cabinet dictation.

The background to the establishment of the commissioners of internal economy is referred to briefly in the *Audit Office Guide* put out by the office of the Auditor General. On page 95 of that publication for 1958, reference no. 347, the following appears:

> Unlike the case in the Senate, the Speaker is elected by the House of Commons and has financial responsibilities before and after the grant of supply, because sections 16 and 18 of the House of Commons Act provide that—

Then the text goes on to recite sections 16 and 18. I shall go on to quote the reference in the *Audit Office Guide*, which reads as follows:

> By way of explanation of the origin of the requirement in section 16 that the commissioners be members of the privy council: At the time of confederation sessions were relatively short and transportation facilities restricted, therefore it was felt desirable that the members of the board of internal economy should live close to Ottawa. A risk was that this might place the members of parliament in the Ottawa area in a preferred position; moreover, they had a special interest in appointments. The solution was to select ministers of departments who represented different parts of Canada but necessarily spent most of their time in Ottawa.

The indication, therefore, is that this board or group of commissioners came into being to meet a particular set of circumstances prevailing at that time in order to provide for the more expeditious despatch of this sort of business. I submit that those circumstances no longer exist and that we should move away from a situation where the internal affairs of this house are being run by a minister of the crown, usually the Minister of Finance, to a situation where the house has control of its own activities.

The bill in this regard seeks, therefore, to repeal section 16 of the House of Commons Act which provides—I shall not read it in detail—that the governor in council shall appoint four privy councillors who, along with yourself, Mr. Speaker, would be members of a commission for certain purposes. The bill before us also provides for the repeal of section 18 which sets up these commissioners who may approve or disapprove of the expenditure of certain sums of money. By repealing these two sections we leave the way open for the House of Commons, without interference either from the Senate or from His Excellency the Governor General, to establish standing orders to deal with this matter, because it is purely a matter with which we as members are concerned.

I think that in our consideration of what standing orders should apply to such a commission as the one over which you now preside—and I still think that one should exist—we should take into account the necessity of having, certainly, yourself as a member of that commission. It should be representative of all the parties which might happen to be in the house and, as well, of the government itself as an element distinct from parties. Naturally, I think that Mr. Speaker should, without question, continue to be chairman of this commission and that the others would work with him and advise him on certain matters. I think the Leader of the Opposition, by virtue of his office, or his deputy, should be a member of the commission also, as well as the house leaders of other parties which may be represented from time to time in the house. I think the Minister of Finance or his parliamentary secretary should likewise be

a member of the commission because there is a certain financial interest here involving the preparation of estimates. I think the Minister of Public Works or his parliamentary secretary should be a member of this board because there are certain activities affecting the area around the House of Commons and in the house itself which come under the jurisdiction of that minister. In addition, I think there should be a number of other members, perhaps five or six, who would be selected on the basis of their experience in the house.

This commission, which would be established by our standing orders and thus become directly an arm of the house itself should, I think, be set up afresh with each parliament and continue in effect for the duration of that particular parliament. I think the commission could continue to perform some of the functions carried out by the present commissioners of internal economy with respect to staff and so on. Certainly it would advise Mr. Speaker on such questions as the preparation of the estimates, the location of accommodation, office supplies and the like, including the provision of office equipment and secretarial services to members—all those things which may be considered necessary to allow a member of parliament to discharge his functions and responsibilities in the most effective manner.

Mr. McGee: Would the hon. member permit a question? He referred to the preparation of estimates. I wonder if he would elaborate and tell us just what he means.

Mr. Howard: Yes. I had in mind that the commission could advise Mr. Speaker in the preparation of estimates.

Mr. McGee: Would the hon. gentleman permit another question. Is the hon. gentleman in his proposal suggesting that we take away from the Minister of Finance control over the ways and means and put this control in the hands of the parliamentary group referred to by the hon. gentleman?

Mr. Howard: Control over the expenditure of public funds is in the hands of parliament and will remain there by the consideration and passage of the estimates and the authorization to spend certain sums based on the estimates. It is a question of making sure that the expenditure of the money is not subject to interference and that the operation of the house comes under the control of the Speaker. Once parliament authorizes expenditures for salaries of employees of the public service those funds are paid to civil servants on a monthly basis. There is no question of derogation of responsibility. It remains the responsibility of parliament to pass on the expenditures. It is merely a question of taking into account all the factors that should be considered in preparing estimates for the coming year. The house will be the main element concerned. Each department prepares its estimates and pares them down to the bare minimum expected to be spent in the coming year.

The commission should continue to make an annual report to parliament concerning what is going on. Wages, hours and working conditions should be reported on to ensure that the staff of the House of Commons does not suffer through being underpaid or not having a channel through which to air their grievances.

I hope that no one will interpret my remarks as being disrespectful of Mr. Speaker or Your Honour's office. This merely represents an attempt to bring these provisions relating to the operation of the house up to date to ensure that Mr. Speaker will remain free and unfettered from cabinet dictation, as I said earlier, with respect to the operation of the house, this chamber and the buildings. I seek to assure that the operation will be within the control of parliament and not something the cabinet runs to suit itself.

I will close by quoting from a reprint of an article by Professor J. R. Mallory of McGill University which appeared in the February 1, 1957 issue of the *Canadian Journal of Economics and Political Science*. Professor Mallory writes:

> Cabinet government and the modern party system have placed the executive in a position of effective mastery over the House of Commons. When it is pushed to its extreme limits the ascendency of the cabinet goes somewhat against the grain of the constitution, so that certain transparent fictions must be solemnly perpetuated in constitutional doctrine. One of these is the doctrine that the House of Commons is master of its own procedure—a notion which in practice does not disturb the peace of mind of the government or its party whips. Another polite and harmless fiction surrounds the appropriation of funds for the internal administration of the House of Commons.

I am eager to ensure that there is a lessening of cabinet control over certain of the activities of the House of Commons.

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, I believe the hon. member who introduced this bill is under a misapprehension with regard to the operation and function of the committee on internal economy. Throughout the course of his remarks he iterated and reiterated that there was cabinet interference, cabinet domination and cabinet control of this committee. Actually, the members of the committee act as

an advisory council to Mr. Speaker. Mr. Speaker in due course reports to parliament as to the action taken by the committee on internal economy during the course of the year. That report is subject to scrutiny by the House of Commons and is subject to debate thereon. Questions may be asked of Mr. Speaker with regard to the activities of the committee during the course of the consideration of the estimates of Mr. Speaker when they are before the House of Commons, so that there is nothing concealed with regard to the activities of the committee. Energetic and active members of the House of Commons who wish to do so can read the reports of that committee and question Mr. Speaker when his estimates are before the house. There is no cabinet domination or interference with the activities of Mr. Speaker in this regard.

The hon. member suggests we should bring the situation up to date. Actually what he is suggesting is that we turn back the clock approximately 95 years because it was in 1878 that the committee on internal economy, as we know it, was set up. It succeeded an earlier committee which was called the committee on contingencies. That committee which normally consisted of 21 members functioned during the time when the legislative assemblies were active in the governmental life of our country prior to confederation. The committee was appointed after confederation and dealt with problems concerning the House of Commons. In 1868 the prime minister of the day, Sir John A. Macdonald, introduced a bill based on British precedents to establish the committee on internal economy. It has functioned from that day to this without, to my knowledge, any suggestion that it has not been a competent and responsible body, responsible to the House of Commons.

I am at a loss to know why the hon. member has seized upon this opportunity of bringing to the house this particular aspect of the statutes. I do not know whether or not the hon. member was inspired to do so simply on the basis of a magazine article by Professor Mallory. The portion the hon. gentleman quoted seemed to me not to be conclusive evidence that a change should be made. In fact, as I followed his discourse I could not find any argument in favour of change except the unfounded allegation as indicated in some of the words he used that there is undue cabinet influence and interference with the spending of the money voted.

The hon. gentleman said he wished to make Mr. Speaker free and unfettered from cabinet dictation. This, too is an unfounded allegation. There is no evidence to support a statement of that nature. If it were true it would logically follow that every speaker from 1878 to the present day has been unfree and fettered by cabinet dictation. It is a rather strange thing that in 1962 the hon. member for Skeena whose experience in the House of Commons is relatively limited should fancy that he suddenly discovers that something has been wrong for well over eighty years. The hon. gentleman is now riding off in all directions in an attempt to correct something which he thinks is wrong. I think he should examine the history of this committee, lay the facts before the house and support his allegations with evidence before he comes here to give information which is, to say the least, a bit misleading, and to launch an accusation against members of the government who happen to be on the committee on internal economy, charging them with undue influence with regard to the Speaker. As a matter of fact, I thought the hon. member was quite out of order in making accusations of that sort with regard to members of the house who are on that committee. However, I did not rise on a point of order as I realized that I would have an opportunity to speak, as has happened.

If the hon. member would look back at the *Journals* of 1867-68, he will find that a committee was appointed in that year. As I have said, there were 21 members. I have not had time to check and ascertain whether they were representative of all parties in the house. However, perhaps they may have been of that character.

The hon. member throws out the suggestion that all parties of the house should be represented on this committee to advise the Speaker and that the Leader of the Opposition (Mr. Pearson) or his deputy—I do not know whether he has a deputy now unless it is the hon. member for Assiniboia (Mr. Argue)—should be a member of that committee; and for some reason or another he would be prepared to give the Leader of the Opposition a prominent position there. Then he suggests that house leaders of other parties represented here in the House of Commons should be on that committee. For what purpose? Every member who has some difficulty or complaint with regard to the internal management of the House of Commons is perfectly free to go to Mr. Speaker and to suggest to him that some changes should be made. I am quite certain that over the years that has been the practice of the House of Commons. I well remember that when I was sitting in the opposition I often called upon the Speaker of that day in order to suggest certain changes in the general operation of the House of Commons, with regard to the matter of supplies and things of that nature. At the present time there is

no particular reason to judge that the same opportunity is not available to every member of the present House of Commons with the present Speaker. Alternatively, members could draw to the attention of the named members of the committee on internal economy suggestions, if they have them, for improvements in management.

I have not had time in which to discover why, in 1878, the prime minister of the day thought it wise to change from the method of a large committee to a statutory body, namely the committee on internal economy. The librarians have been working hard to find that information but it has not yet come to light. However, there must have been some good reason for making the shift. It may be because of the financial obligation that is imposed on the Speaker. In Bourinot, the fourth edition, at page 197, I notice that the learned author of that work states the following:

> The commissioners of internal economy of the House of Commons is a statutory body having definite powers and responsibilities with reference to the expenditures of that body. Formerly, certain expenses of the legislative assembly of Canada were regulated by a committee of contingencies, appointed at the opening of each session. On its report the salaries and other contingent expenses were provided for. The committee was re-appointed in 1867-8, and made several reports, which were acted upon, but during the same session, the premier (Sir John Macdonald) brought in a bill respecting the internal economy of the House of Commons, which was unanimously passed.

I draw the attention of the house to that quotation. The house of that day had lengthy experience with the committee on contingencies and members of the House of Commons of that period who had formerly served in the assemblies of Upper Canada, Lower Canada and the other provinces had similar experience. Yet when Sir John brought in his bill setting up the committee as we know it now, the house unanimously passed that measure. I therefore suggest the implication is that the house found the committee on contingencies was not a suitable method of dealing with problems affecting the members and the organization of the business of the house and thought it would be better done by having a statutory body appointed.

Mr. Bourinot on the following page goes on to indicate some of the work of that committee and he ends one of his paragraphs with this sentence:

> The commissioners regulate with the Speaker all salaries not fixed by statute and all expenses of the house—in fact assist the Speaker as an advisory council with respect to the staff of the house.

Then he goes on to state that provision was made for an audit of the accounts and that the Auditor General in his annual report would give the fullest information with respect to the expenditure of the two houses.

Why should we make a change at this time? If the hon. member wishes to have a change made and wishes to go back to an outdated system, I suggest that he must put forward much more valid arguments than those he has adduced this afternoon. I reject entirely the accusation that there is interference with the Speaker or that there is cabinet domination. I reject his accusation that the cabinet steps in and takes action to suit itself, again using some of his words. This is an atrocious accusation against members of the cabinet. The article which he quoted from the *Audit Office Guide* of 1958, gave an explanation of the Auditor General of that period as to why the commissioners were appointed by the privy council. I do not know where the Auditor General of that day obtained his information. However, it has been reprinted in the explanatory section of the bill. Apparently the suggestion made there is that instead of just appointing members who were living close to Ottawa because of transportation difficulties of 100 years ago, it would give better representation country-wide to appoint to the committee members from the cabinet who would be living in Ottawa anyway but who would be representing other parts of the country. So it was not in order to ensure or make any provision for so-called cabinet domination, but merely to make the committee widely representative of the various areas of Canada that members of the privy council were appointed to the committee. There was no plot in those days and there is none at the present time to bring about domination by members of the cabinet. In addition, Mr. Speaker, I suggest that members of the cabinet are also members of the House of Commons and should be entitled to the same consideration as other members of this august body.

It is interesting to read the report of the committee that was set up in 1867 and 1868. I judge this was the last time that the committee of contingencies operated prior to the bringing in of the bill of Sir John A. Macdonald. The House of Commons dealt with 17 resolutions which were put forward in the third report of the committee of contingencies. It is interesting to note that they were concerned with matters of financial economy to be observed in the House of Commons. They dealt with the number of translators and the number of extra clerks that should be employed. They considered such things as the reception and distribution of the printed bills and other documents. They dealt with the subject of the post office and its management. They suggested

that no clerk be stationed in the reading room, that there should be but two messengers and one labourer in the joint department on routine and printing, that there be but one messenger in the library and that no messenger be attached to the office of the Speaker's secretary or to that of the assistant clerk of the house.

They set the salaries of various people employed by the House of Commons. They suggested that the nine pages, which was the number they had working in those days, should receive $1.50 per day during the session. They suggested that the salaries of the two night watchmen be fixed at $400 per annum, that the stationery supplied to each member of the house should not exceed in cost the sum of $15 for each session and should be delivered in a box on the first day of each session, and that no more be issued. They were dealing with matters of internal management with regard to the House of Commons.

I suggest that those matters are being dealt with effectively and efficiently at the present time through the committee on internal economy under the able chairmanship of the Speaker with the assistance of his very able staff, and that the House of Commons has full opportunity during the course of a session to examine into the activities of that committee and to question the Speaker when his estimates are before the house with regard to how his duties have been carried out. It follows from that that there is no concealment in this committee, no pressure applied by members of the committee who happen to be members of the privy council, and that the Speaker is completely free and unfettered in the performance of his duties.

Mr. Howard: I wonder whether the minister would permit a question before he resumes his seat. Inasmuch as the minister is not only Minister of Veterans Affairs but house leader, as well as being a member of the committee to which we are referring, would it be fair to classify his speech as a vested interest type speech?

Mr. Churchill: Mr. Speaker, I have heard some foolish questions in my day but that ranks high on the list.

Mr. Howard: Just as foolish as your argument.

Mr. Bell (Saint John-Albert): It would be a case of vested interest if you got on the committee.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to make a few brief remarks on this rather intriguing bill. The explanatory notes state that the purpose of the bill is to abolish statutory rule by members of the Queen's privy council over the internal economy of this house, the reasons for such rule no longer having validity, and thus permit the Speaker and members chosen by the house to govern the affairs of the commons.

I must say before proceeding with my remarks that the minister did not deny that the purpose of the bill is properly stated in the explanatory notes. The purpose of the bill is to assist Mr. Speaker and members. It is quite obvious to one who has knowledge of the management of the internal affairs of this house that Your Honour reigns but does not govern in all respects, and the purpose of the bill is to assist Mr. Speaker to govern with the assistance of members of this house, to introduce a greater spirit of democracy, shall I say, in the administration.

I thought that the minister was rather sharp with the hon. member for Skeena. He will admit that the member has provoked discussion on a somewhat obscure and complicated question. Practically the whole of the minister's reply to the arguments of the member for Skeena was a defence of the status quo. He showed a rigidity and inflexibility of mind that is so common among persons of Tory mentality. He did not even suggest to the member for Skeena that there was something in what he had said and that the matter should be looked into because the subject warranted investigation. I think that would have been a much more progressive approach on the part of the minister. I trust that he really and finally has been influenced by the arguments of the member for Skeena and will change his mind. Mind you, Mr. Speaker, good precedents for his doing so have recently been established in the house in that the minister has been influenced by arguments put before the house by members of this group and has changed his mind. I do hope he will return to that former flexibility and give this matter further consideration.

I thought that the minister rather censured the member for Skeena somewhat unduly. This is a most complicated and obscure question and the member for Skeena demonstrated absolutely his fitness to be placed in the shadow cabinet which we hope to form in the very near future. On page 32 of the publication, Organization of the Government of Canada, I read the following:

> In the House of Commons, when the language of the Speaker is English, the language of the chairman of committees, who also acts as Deputy Speaker, is French. In addition to presiding at all meetings of the house, the Speaker enforces the observance of its rules, maintains its rights and privileges and acts as the official spokesman of the house as occasion may require.

I might say, Mr. Speaker, that you do that to the great satisfaction of all of us.

He is also responsible to the house for the management of its internal affairs and the operation of its branches and services.

That is not quite an accurate description of the circumstances that prevail at the present time with respect to Mr. Speaker, and the purpose of the bill is to make that statement a matter of fact so far as the management of the affairs of the house is concerned. I must compliment the member for Skeena on his exposition of a somewhat abstruse and to the public, I am sure, mysterious administrative problem concerning the management of the affairs of this house. It is not a subject that would be easily understood outside the house and I think there is too little knowledge among members within the house. Although there has been a very unsympathetic approach on the part of members of the government party, I trust that this discussion will cause members to do some reading and find out the exact circumstances that prevail at the present time.

However, he has provided an opportunity for members to discuss the improvement of what I consider, in some respects, to be our out of date way of doing things, our out of date system of internal management. What the hon. member is aiming to do is to improve the management of this house so that there will be greater satisfaction amongst members with respect to offices, secretaries and things of that sort. Mr. Speaker does the very best he can for us under the present circumstances, but there is a sort of limiting hand behind the scenes when it comes to finances, staff and so on. This method would improve the control of expenditures and the application of those expenditures. It would improve the circumstances of the staff and give them a sense of security to which they are entitled and which does not prevail at the present time because of this hidden hand behind the scenes. I am not suggesting for a moment that these gentlemen do not perform their duties to the best of their ability, but under present circumstances we have a variety of pre-Victorian management which is out of date.

I am sure that even the discussion of this problem will inform members, and the passage of this bill provide greater satisfaction to members in the performance of their duties, establish fair rules for the staff and introduce improvements and efficiency in the management of the internal affairs of the House of Commons. In saying that, I am not reflecting upon any person. The hon. member for Skeena is seeking to improve a system which we believe, in some respects, has become somewhat outdated.

Mr. Frank McGee (York-Scarborough): I must admit to some surprise that the question of principle involved in this bill is urged by a private member of the particular group to which the hon. member for Skeena belongs. Implied in the whole suggestion is the fact that presumably the hon. member's group is being hard done by in terms of facilities in this house. In other words, there is something that they have not got now which they want. I would ask any member of this house to examine historical records to see if he can find anywhere in the history of our parliament a like situation where eight members representing a rather twisted political persuasion, have had such lavish facilities made available to them. As an example of these facilities, I cite the number of secretaries in the leader's office, a special messenger, and each member with an individual secretary. Surely, the position of the private member, particularly within that group, is better than it ever has been in Canada's history.

Mr. Herridge: Because of their increasing burdens.

Mr. McGee: As I said, I am astonished that these suggestions should come from that particular corner of the house. Presumably the hon. member would like to return to the days of the pork barrel when the members of the committee for contingencies exercised influence over the hiring, firing and other aspects of patronage. I can assure the hon. member that with the current examples of C.C.F. patronage in the province of Saskatchewan, we have no wish whatever to return to those days.

There is another question here, and this bill provides me with an opportunity of making a comment which I have not had the opportunity of getting on the record for some time. It pertains to the position of the Speaker, himself. Certainly, in this debate—

Mr. Speaker: Order; before the hon. member goes too far in referring to the position of the Speaker, I think he should be warned that he may be out of order.

Mr. McGee: Surely, Mr. Speaker, it is not out of order to suggest that the limitations upon the Speaker are particularly binding at this moment. You, sir, are prevented from answering the implied allegations that you have been knuckling under from some pressure from the cabinet. As the house leader mentioned, this suggestion is implicit in the bill which is before us. Domination implies that the cabinet is dominating somebody, and the only other person who could be dominated in this situation is the Speaker.

Mr. Peters: They are sure dominating you.

Mr. McGee: I had hoped that the hon. member might have put forward some suggestions as to the individual items which he felt should be brought into effect, that he might have brought forward specific grievances. As I said in the beginning, the position of a private member in this parliament has improved tremendously since 1957. Obviously the physical facilities have been expanded and extended. The whole of the west block operation testifies to the willingness and encouragement of the Speaker and other members of the committee concerned with the role of the private member, in improving the facilities. I would be tempted, Mr. Speaker, if time permitted, to go beyond this bill and discuss the increased role of the private member, to say something about the opportunities for participation in parliament by the private member as a result of the recent changes in our procedures. Clearly, the limitation of time prevents this.

Perhaps I might come back to the point that I am surprised that this suggested restriction on private members should come from that corner. In the first 50 minutes of this debate during private members' hour, we heard from two N.D.P. members and we heard from only one other group in the house. The thundering silence from the Liberal benches is perhaps understandable and most easily explained by the fact that they did not have any contribution to make to this debate.

May I call it six o'clock.

HOUSE OF COMMONS

WATERLOO SOUTH—NICOLET-YAMASKA—ANNOUNCEMENT OF DATE OF BY-ELECTIONS

Right Hon. J. G. Diefenbaker (Prime Minister): May I ask the leave of the house to revert to motions?

Mr. Speaker: The Prime Minister asks the leave of the house to revert to motions for the purpose of making an announcement. Has the Prime Minister leave to revert to motions?

Some hon. Members: Agreed.

Mr. Diefenbaker: I should like to announce that by order in council, by-elections will be held to fill the vacancies in the federal constituencies of Waterloo South and Nicolet-Yamaska on September 10. There will be one vacancy in the House of Commons, the Mackenzie River constituency. The hon. member for Yukon has introduced a bill which has passed this house but has not yet received the attention of the other place, under which the name of the constituency would be changed to "Northwest Territories" and the area increased in size. No reference has been made to that vacancy, nor will there be until the bill finally receives the attention of the other place. If it becomes law, then an announcement will be made at that time.

Mr. H. W. Herridge (Kootenay West): On behalf of the absent front bench members of the official opposition and our group, I thank the Prime Minister for making this announcement at this time.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to join with the hon. gentleman, who has recently become a leader and whose leadership seems to have gone a little to his head, and say that it is unfortunate that these constituencies are going to go unrepresented for the whole of this session.

Mr. Diefenbaker: Mr. Speaker, I can only say to the hon. gentleman that it was once said, "Physician heal thyself", and if he will look at the record of the government of which he was a member, he will have an answer to his own problem.

Mr. Pickersgill: Oh, but we were going to have the rights of parliament restored.

Mr. Speaker: The hour for consideration of private members' business having expired, the house will revert to the business which was interrupted at five o'clock.

FARM IMPROVEMENT LOANS ACT

AMENDMENT TO GUARANTEE LOANS, ESTABLISH LIMITS, ETC.

The house resumed consideration in committee of the following resolution—Mr. Fleming (Eglinton)—Mr. Martineau in the chair:

That it is expedient to introduce a measure to amend the Farm Improvement Loans Act to provide for the making of guaranteed loans during the period July 1, 1962 to June 30, 1965, and to establish $400 million as the limit of guaranteed loans that may be made during the new loan period.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Shall the resolution carry?

Mr. Pickersgill: I assume the minister intends to reply to my hon. friend from Welland, to my hon. friend from Assiniboia and to my hon. friend from Gloucester who raised an important question about credit unions.

Mr. Milligan: I should like to make a few remarks in connection with this amendment to the Farm Improvement Loans Act based

on some of the experience I have had in assisting farmers in my area to obtain loans under this measure.

I am very much in agreement with those who have spoken about the importance of this measure. Indeed, it is becoming difficult for those engaged in agriculture to obtain credit, when they need it, from any other source. I do know of some people in my own area who have attempted unsuccessfully to obtain assistance. Finally, they had to borrow from individuals at the rate of 10 per cent plus a bonus before they could get a loan. There is no doubt that the act has been very helpful to a great many people.

However, I have some reservations about increasing the amount available for these loans from time to time. I think that at some point we must take a realistic look at where we are heading. I noticed in tonight's *Citizen* an article suggesting that there might be two new provinces in northern Canada and that the possibilities for agriculture in those areas were terrific. It seems we have a lot of people who are doing research directed towards increasing production without a corresponding effort being made to find markets to dispose of the products we have on hand at the present time. I think this aspect is important.

I do know it has been the policy of the farm loans board to suggest for example, that a certain farmer with, say, 20 dairy cows should have 35 cows. To my mind that is not the right approach, because we are encouraging farmers to increase dairy production at a time when we are faced with a surplus of dairy products. Again, we should not encourage western farmers to buy more machinery so as to produce more wheat when we do not have a market for all the wheat we are producing at the present time. The same remarks apply to producers of sugar beets and to a great many others. It seems to me there should be some way of controlling the amount of loans going to those who are producing today just about what the market demands. In my experience it is not hard for a farmer, especially if he is doing well, to go to a bank and receive favourable consideration of an application for a loan under this measure. On the other hand, a small farmer, or a farmer who is really pressed and in need of assistance, would find it difficult to get such a loan through a bank.

There is another aspect which concerns me. I believe that when a farmer applies for a loan to buy cattle the bankers interpret the loan as being made in respect of purebred cattle. I know of one person in my area who paid between $450 and $500 apiece for cows, though he was selling his milk to a manufacturing plant. It seems to me that purebred herds may have their advantages but that we are certainly placing many of these farmers in a position where they are going to find it difficult to repay their loans. These people would be in a better position, it seems to me, if they were allowed to buy good quality dairy cattle and were not confined to purebred stock. I have talked with three bankers in my town in connection with this situation and they tell me that this practice is followed for the purpose of identifying the cattle; were it not for the registration number they would have no way of identifying these cattle. That seems ridiculous to me, because when they make a loan they know how many cows that farmer should have, and the farmer is bound to maintain his herd at a certain level.

Although I am in favour of seeing these loans increased, I think there should be some changes made in the regulations so that a farmer should not be able to borrow to increase his herd or buy more machinery merely to produce something which is already in surplus. I feel this is what is happening in some cases under the provisions of the act. It seems to me that our officials, when approving loans, should be encouraging farmers to get into lines which are not already overproduced—something that they can market. I am afraid that if we continue the present policy we shall find ourselves in the future in a more difficult position than we are at the present time.

Mr. Fleming (Eglinton): I thank hon. members for the support they have expressed for this resolution. I shall try to deal with several points which were raised by hon. members who sought information.

First of all, one hon. member asked why the act is being extended for a three year period. That has been the history of this legislation since it was introduced in 1945. As I understand it the purpose has been to retain parliamentary control so that parliament would have the opportunity of reviewing the legislation once every three years.

There is a substantial amount of money placed by way of guarantee at the disposal of this legislation. The view has commended itself to parliament that on this account as well as for other reasons that form of control should be retained in the form of a limited life to the legislation.

Second, I was asked by the hon. member for Gloucester in regard to the position of credit unions and caisses populaires. We had an extended debate on this subject in 1960 and there has been no change in the position since that time.

Reference was made to the limit on the individual loan. May I remind hon. members that the original amount of an individual loan under this legislation was $3,000. That

was increased to $4,000 in 1953, to $5,000 in 1956 and to $7,500 in 1959. That last increase was, of course, the largest increase to date. It was an increase of 50 per cent in the previous total and I think under present conditions it can be regarded as reasonably adequate. Conditions, of course, could change and one recognizes that both with respect to equipment and to other investment in agriculture, today the stress is on an increase in investment.

The hon. member for Assiniboia asked me for certain information of a statistical nature in relation to the experience with repossession of machinery. I am told on inquiry that that information is not at present available. Whether or not it could be made available, I do not know. It will take some considerable time. I shall make inquiries in that regard. I cannot say that that information could be made available before this legislation has passed through its various stages. I can tell the hon. member, however, that the administration of this legislation so far as the Department of Finance is concerned has been thorough and systematic as well as sympathetic.

In the calendar year 1961 the total of loans made was 70,615. The number of claims made in respect of the guarantee given under the legislation was only 232. In the calendar year 1960 the number of loans was 68,041 and the number of claims was only 209, so the experience of administration of this legislation is in keeping with what I said last night concerning the record of losses. It is an enviable record. I think it points to the sound policies that have been followed in relation to lending under this act as well as to the sturdy reliability of the Canadian farmer.

Finally, the hon. member for Welland asked me about the position of fire insurance on farm equipment. It is quite obvious to hon. members that no bank manager is going to make a loan on farm machinery unless he has reasonable fire insurance on the particular equipment. The hon. member said he knew of several cases where there had been loss by fire and where evidently there had not been insurance. In that case I must express my surprise. I can only surmise that there has been some slip up on the part of the bank or on the part of the borrower in that case. Perhaps there was fire insurance on the equipment at the time the loan was placed. It may have lapsed later or for some reason or other may have become invalid. It would be sheer speculation or surmise to attempt to account for it. Sound banking practice will dictate on the part of the bank manager firm insistence on having fire insurance placed on equipment which is the subject of a loan under this legislation.

[Mr. Fleming (Eglinton).]

Resolution reported and concurred in.

Mr. Fleming (Eglinton) thereupon moved for leave to introduce Bill No. C-73, to amend the Farm Improvement Loans Act.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the said bill be read a second time?

Mr. Argue: Next sitting.

Mr. Deputy Speaker: Next sitting, agreed?

Some hon. Members: Agreed.

FISHERIES IMPROVEMENT LOANS ACT

MEASURE TO EXTEND PERIOD OF GUARANTEE ON LOANS

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Fisheries Improvement Loans Act to extend the period during which guaranteed loans may be made to the 30th day of June, 1965.

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

Mr. Fleming (Eglinton): Mr. Chairman, this resolution, as I am sure hon. members are aware, is a kindred resolution to the one which has just been passed. This one relates to the Fisheries Improvement Loans Act as the former one did to the Farm Improvement Loans Act. The purpose of the proposed amendment is to extend operations under the Fisheries Improvement Loans Act for a further period of three years by establishing a new lending period to run from July 1, 1962 to June 30, 1965.

This legislation offers to fishermen credit facilities similar to those provided under the Farm Improvement Loans Act. Thus, it will be sufficient, I think, to recall at this time some of the main features of the act. The essential purpose of the legislation is to facilitate the provision of term loans to fishermen. To this end, credit is made available to finance a broad range of investment projects including the purchase, construction or improvement of fishing vessels, fishing equipment and shore installations. The maximum amount that may be borrowed by a fisherman is $4,000 and repayment of the loan may take place over a period as long as eight years. Under the provisions of the act, the government undertakes to reimburse individual lending institutions for losses of up to 15 per cent of loans aggregating $500,000. A guarantee of

10 per cent is applicable in respect to loan funds exceeding $500,000. There is an over-all limit on the total amount of guaranteed loans which may be made by all lending institutions and this has been set at $20 million.

This legislation was enacted by parliament in 1955 and was made effective for a period of three years. In 1959, an amendment was passed which extended the period during which guaranteed loans might be made from December 12, 1958, to June 30, 1962. The amendment which is now proposed will establish the third lending period since the inception of the act. In this brief review of the history of the legislation, I might also point out that another amendment was enacted in 1959 which extended the definition of a fisherman to include a person who intends to acquire an interest in a fishing vessel, as well as a person who already has an interest in one.

In recent years a fairly stable although modest amount of lending has taken place under this legislation.

From the inception of the act in 1955 to December, 1961, a total of 981 loans was made amounting to $1,237,328. Of this total, $813,717 was repaid and currently an amount of $423,611 is outstanding. The most recent annual report on operations under the act shows that during the fiscal year ended March 31, 1961, an amount slightly in excess of $217,000 was lent to fishermen, comprising 142 individual loans. During the succeeding nine month period to December 31, 1961, a total of 127 loans was made amounting to $187,454.

In summary, the proposed amendment is simple and brief. It will extend the period during which guaranteed loans may be made and, as a result, fishermen will continue to have available intermediate term credit facilities for borrowing, on reasonable terms and conditions, to meet their capital needs. I believe that this measure, together with other action taken by the government, will enable fishermen to take advantage of more efficient methods of operation and will help to ensure the sound development of this important primary industry.

Mr. Pickersgill: I am rising to express disappointment at the resolution. The Fisheries Improvement Loans Act, as the minister correctly pointed out, was enacted by the previous government in the year 1955 in an attempt to meet a part of the credit needs of the fishing industry. The minister is right in using the term "modest" to describe the results under the act, notwithstanding the fact that, unlike the Farm Improvement Loans Act, the Fisheries Improvement Loans Act recognized credit unions and caisses populaires as well as the chartered banks. I may say parenthetically that it is hard to understand why that should be so in the one case and not in the other, except that one was done by a Liberal government and every opportunity to do the other has been turned down by a Tory government.

Mr. Fleming (Eglinton): No, no, that is ridiculous.

Mr. Pickersgill: The minister can speak when I have finished.

Mr. Fleming (Eglinton): Will the hon. member permit a question?

Mr. Pickersgill: I would ask that the minister take his seat. I have the floor.

Mr. Fleming (Eglinton): The hon. member denies or refuses a question.

Mr. Pickersgill: The minister is trying his favourite trick of trying to rise and make a speech when another member is speaking and it is not going to work.

Mr. Fleming (Eglinton): I was asking whether I could ask a question.

Mr. Pickersgill: The minister can ask his question when I have concluded my remarks. We have all evening before us on this measure. I suggest to the minister that, if he does not wish to take all evening, he sit patiently and listen instead of interrupting. I shall be very happy to answer all his questions when I have concluded my remarks.

Mr. Fleming (Eglinton): Do not make misstatements.

Mr. Pickersgill: I am recommending to the minister that we need not take much time over this legislation and that if he would show a little bit of courtesy to the house he would get this legislation through a great deal faster. I may say that I do not expect my advice to be taken. The minister is above advice.

Mr. McGrath: Keep on the subject.

Mr. Pickersgill: The hon. member for St. John's East says "Keep on the subject". May I say that I was on the subject when I was rudely interrupted by the Minister of Finance.

Mr. Fleming (Eglinton): Mr. Chairman, I am rising on a question of privilege. I did not interrupt the hon. member. I followed the practice of the house. I rose and asked him whether I might ask him a question. There was no rudeness on my part. The house can judge whether or not there was any rudeness on his part.

Mr. Pickersgill: I hope the minister is happy now that he has stated his question of privilege. I suppose I might get two sentences out before he rises on a point of order.

It will be interesting to see whether or not I do so. Then perhaps I might get a couple more sentences out before he says that what I am saying is a "blatant lie", a favourite phrase of the minister which is used almost every time he speaks outside of the house and of which I have many examples right here, if the hon. gentleman wishes them put on the record.

An hon. Member: Why don't you say something?

Mr. Pickersgill: As I was saying, if the minister would show the house just a little bit of courtesy and exercise just a little bit of patience, I do not think it would take very long to deal with this measure. However, if the minister wishes to behave in his usual fashion I think it will probably take the usual time. He may have his choice.

If I may now come back to this measure, Mr. Chairman, I may say that the legislation which we are now seeking not to amend but merely to extend was put on the statute books by a Liberal government. Though it has done some good, the minister was quite right in saying that the results have been very modest in comparison with those under the Farm Improvement Loans Act. I suppose it would be easy and demagogic to blame the chartered banks, but I do not do so. It is quite obvious that there are difficulties about getting, in the case of loans to fishermen, the same kind of security as that which can be secured in the case of loans to farmers. After all, the farms are there whether or not the farmer is there. However, if the fisherman himself is not there, there is not much to be secured except boats and gear which themselves, of course, are rather perishable as we know all too well. The inherent difficulties are very much greater. But just because the inherent difficulties are very much greater it seems to me that in this industry, the oldest and the most historic industry of our country—an industry older even than the fur trade—ought to be receiving even more sympathetic consideration than any other industry in the country. As everyone knows, we have on our coasts the greatest fishery in the world which is being prosecuted successfully by the fleets of almost every European nation, and even those of some nations beyond Europe who come thousands of miles across the seas to prosecute the fishery, and who seem to be able to do so successfully when our own fishing industry is steadily declining.

As I say, we had hoped that in this field of credit—and I do not intend to go beyond that field; I assure the minister that I have plenty to say that is relevant without going into any irrelevant field—we hoped this government might do something, particularly in what some people think is going to be a year when they appeal to the country, although there are others who are not so sure, or that those considerations that seem to be more appealing in the minds of hon. gentlemen on the treasury benches than does the welfare of the country might induce them to do something similar to what they did three or four years ago in establishing the farm credit corporation which, after all, was merely a revision of the farm loan board, its predecessor.

An hon. Member: And what a revision it was.

Mr. Pickersgill: Yes. The hon. gentleman says, "What a revision it was." I think the revision was a very successful one. I have never attempted to take any credit from anyone for any good he did. I do not think it is necessary to do that, even in public life. I say that if this government would establish a fisheries credit agency similar to the farm credit agency which they established two or three years ago, I would give them full credit for it. Both ought to have been done at the same time. We said that at the time. Just so that I can anticipate the customary retort of hon. gentlemen opposite who react almost like Pavlov's dog in this matter, by repeating "Why did you not do it in your 22 years in office?"—

An hon. Member: Why did you not do it?

Mr. Pickersgill: I will tell you why we did not do it in our 22 years in office. We did not do it in our 22 years in office because we thought the first step to take was the one we took in 1955 to establish this particular legislation. All this government has done is to extend it. Oh, it is true that they did a little bit more than that. They said that somebody who was not a fisherman could borrow under this legislation in order to become a fisherman. It would be interesting to know how many of those people have actually obtained loans.

Notwithstanding the fact that most of the provincial governments in the fishing provinces do have provincial loan agencies for fishermen, I am sure the hon. member for Royal, the Minister of Forestry, would agree with me when I say that the plain fact is that this is not something that ought to be left to provincial governments. Under the constitution fisheries are the exclusive responsibility of this parliament and the federal government. Surely if farm credit, when agriculture is a joint responsibility of parliament and the legislatures, is largely assumed by parliament, credit for fishermen should be the responsibility of this parliament. But let me say, sir, that if there is any industry that has been totally forgotten, totally neglected

and totally ignored by the present government it is the fishing industry. The only thing that the government ever claimed it did for the fishing industry was to put fishermen under unemployment insurance, something that was done in the spring of 1957 before this government came into office.

The Chairman: Order. I think the hon. member will admit that he is going beyond the scope of the resolution now.

Mr. Pickersgill: Yes, I will admit, sir, that I was illustrating a point having relation to the resolution in the customary fashion in this house.

Mr. Fleming (Eglinton): Customary Liberal fashion.

Mr. Pickersgill: What I was pointing out, sir, was that we are disappointed. After all, what we are discussing is whether it is expedient to do this. Those are the governing words. I think it is expedient to do this but I am saying that it would be expedient to do very much more indeed than this.

It does seem to me that the present government, even in this period of death-bed repentance through which they are going at the present time, might go beyond this. They might produce another little speech from the throne in which they would announce that they were going to provide a credit agency to provide longer term credits for fishermen and to provide them on a basis on which I do not think we can reasonably expect the chartered banks to make loans under this legislation.

Before we actually pass the resolution I think it would be helpful if the minister could give us, in addition to the information he has already given, a geographical distribution of the loans because my recollection is that the last time I saw one it was perhaps the most disappointing feature of the whole legislation. I do appeal again to that great heart, that generous understanding, that broad vision of the Minister of Finance and suggest to him that the government should treat fishermen in the same way they treat farmers, as we appealed on another occasion already this session, and that in the field of credit for fishermen there should be an agency parallel to the farm credit corporation.

Mr. Howard: Mr. Chairman, those of us who have expressed a degree of interest in the fisheries for a variety of reasons are indeed disappointed, I am sure, at the limited extent of the resolution before us. However, perhaps we should not have expected too much, having in mind past activities, and perhaps we should have really appreciated the degree of mental ossification that exists on the treasury benches with regard to a matter so important as this. I cannot help but make a slight reference to some of the indelible words of the Minister of Finance when the original bill presented to the house was before the banking and commerce committee in 1955. We find that in the minister's gentle way he made some comments with respect to two or three clauses of the then proposed bill, which incidentally are still in the act. On page 87 of the proceedings of the committee I find these words of the minister with respect to clause 5:

> Mr. Fleming: I have a question on clause 5. The power is given by clause 5 of the bill to the governor in council to terminate the crown liability in respect to these loans in any locality—

And so on. Then he asked why this was necessary and the answer given him at that time was that this section was taken from the Farm Improvement Loans Act and if it was good enough there it should be good enough in this instance. The minister's casual comment at that time was:

> If that is the case it strikes me that it is not a good enough reason.

Then there is some additional explanation after which the minister said:

> On clause 5 if there is no better explanation to be given than we have heard, I want to say that I am against clause 5.

Seven years ago he was against clause 5 but clause 5 is still in this act. Is the minister still against it or has he come to the conclusion that it is better for him, as one participant in the activities of the governor in council, to have this degree of authority? I have given only one selection from the 1955 committee proceedings in which the present Minister of Finance as a private member played a prominent part and used a variety of expressions about the legislation not being good enough. He said that the explanations that were given to substantiate the legislation were not good enough and he was opposed to certain sections because they were not protective enough.

He has been in office now for four years and on two occasions during that time he has piloted bills amending this act through the house but nevertheless he seems to have forgotten the great words he used in 1955. If we go back to 1959 when the minister piloted an amending bill through the house, a number of members presented ideas to the minister at the resolution and other stages of the bill and suggested changes in order to make the legislation more effective, provide greater protection for the fishermen, give them a better opportunity to participate in the economic life of this country and in order to make sure that their livelihood would be protected

and they would have the opportunity to prosecute the fishery to the best possible advantage. At that time the minister protected himself with his cloak of ministerial authority and said that naturally he could not do anything or make any pronouncements about the future, but that these matters would be given very careful study. He almost went so far as to say by implication that sympathetic consideration would be given to the ideas that were propounded at that time.

We now have another proposed resolution before us and all of the very worth-while ideas put forward by members of the house in 1959 in order to ensure that the fishermen would have full opportunity to participate under this act have been discarded by the Minister of Finance. He thinks it is not worth his while to spend his time to prepare such amendments for passage by the house in order that fishermen will have a proper opportunity to participate. The number of loans that have been made under the act is certainly disappointing.

Why would it not be disappointing when there is a $4,000 limit on such loans? One reason the result is disappointing is that some fishing vessels cost more than $4,000. This is a rather low cost type of boat, so far as the west coast is concerned. I do not care to engage in any guesswork about the cost of fishing vessels on the east coast. I leave that to those who are more familiar with that area. In so far as the west coast is concerned, $4,000 would not buy a rowboat that could be used for fishing. When you get into the region of $15,000, $20,000 and up, then you are in the area of the amount of money necessary to build a boat to participate in this industry. The limit of $4,000 on a loan under this act excludes persons who want to become fishermen by reason of the fact it costs more than that to either become involved in the fishing industry or to make repairs to a boat if one is engaged in that industry. I believe this argument was presented to the minister on a number of occasions.

I see no reason why there should be reluctance to accept an increase in the limit. Certainly, there was no hesitancy, so far as I can gather, about increasing the limit under the Farm Improvement Loans Act on two or three different occasions in the past few years. In fact this government, in 1959 I think, speaking from memory, increased the limit under the Farm Improvement Loans Act to $7,500. Why not increase the loan limit under this act to ensure that fishermen will have a full opportunity to borrow money? So far as my knowledge goes there have never been any defaults in payments on loans. The most recent report I have been able to obtain points out that there were no claims submitted to the government for payment under the guarantee provision of the legislation. The fishermen who borrowed money under this act met their commitments to the bank and paid off their loans before they expired. One would think that the same conditions would prevail with an $8,000 as have prevailed in connection with the $4,000 loan, and the advantage to the fishermen would be equally great.

The act now prohibits a person who does not own a fishing vessel from borrowing money. We know there are many commercial fishermen who, for one reason or another, will remove themselves from the fishing industry for a period of a year or two or perhaps more. If they have an interest in a boat, they sell it. If they own a boat, they sell the boat and take up some other form of work. Perhaps two or three years later they may decide to enter the industry again. They are definitely prohibited from borrowing under this act because they do not have an interest in any vessel. This is one type of amendment that should be made in order to help people who want to borrow money to get back into the fishing industry. However, as I have said, you cannot borrow money unless you have an interest in a fishing vessel.

In any event, in the final analysis it is the lending agency that decides whether or not to lend money to these individuals. It is not the Minister of Finance. He is not lending money to anybody. Why should there be this restriction that prevents some people from getting back into the fishing industry? We went through this process before, and the minister seemed to listen carefully and sympathetically. Perhaps he did not pay any attention but just looked as if he were listening sympathetically. What about the situation where a person starts to build a boat and gets it partly completed? He gets the hull completed on the ways, but he cannot borrow money under this legislation to enable him to complete that boat by reason of the fact that he is not considered to be one who has an interest in a fishing vessel. This is another amendment that should be made in order to assist people in the fishing industry.

Perhaps, Mr. Chairman, when I am suggesting an increase in the limit of $4,000 on loans to $8,000 or $10,000, I am treading on dangerous ground because the section of the act which contains this provision is the same section which provides for 5 per cent simple interest on the loans. Perhaps if the minister could get into that field he would treat the fishermen with the same contempt he treated the small businessmen by having a wide open interest rate inserted in this legislation. However, I feel we should be willing to gamble that the minister will not be quite so

callous to the fishermen and will maintain the 5 per cent interest rate, even though he does open the section for one other purpose.

As I have said, we went through this procedure once before. The minister filled up a number of pages of *Hansard* during the debate on the amending bill in 1959, saying that he was going to study these proposals and perhaps later on something would be done about them. Before we proceed beyond the resolution stage, perhaps the minister could indicate to the committee what consideration he gave to those studies and his reasons for rejecting them. Like the hon. member for Bonavista-Twillingate, I feel that this is a piece of legislation which, inadequate though it is, the house could put through with a minimum amount of controversy. Certainly, so far as I am concerned, that could be done. However, Mr. Chairman, I feel we have a right to insist upon an answer from the minister concerning the conclusions he came to about the very worth-while suggestions made in 1959, the very worth-while suggestions which have been made to him directly by way of correspondence and the very worth-while suggestions which were reiterated today. Perhaps the minister has been too busy with other things and has not got around to drafting these amendments. I am sure if he has studied these proposals he will have a worth-while explanation to make to the committee, and we can go on from there. I do not believe we should allow the resolution to pass without some clarification from the minister.

Mr. Robichaud: The resolution which is before us for discussion now has to do with nothing more than a minor amendment to the Fisheries Improvement Loans Act to extend to June 30, 1965 the period during which guaranteed loans may be made. In introducing this resolution, the minister said this act was similar to the Farm Improvement Loans Act. As stated by my colleague, the hon. member for Bonavista-Twillingate, the Fisheries Improvement Loans Act contains a definition of "lender" which includes credit unions, caisses populaires and other co-operative credit societies designated by the minister as lenders for the purpose of the act. I would say this is the major difference between this act and the Farm Improvement Loans Act which we discussed this afternoon.

Now, the minister has put on the record some of the figures relating to the application of this act. When we realize that the amount authorized for lending under this act is limited to $20 million and the act has been used only to the extent of $1,200,000 by 614 fishermen in a period of six years, we can state that it has certainly been used in a very modest way. At the moment the amount outstanding under loans made under this act is in the vicinity of $600,000. As was stated by the hon. member who has just resumed his seat, out of the total number of loans made, 474 or about 50 per cent have been repaid for a total of $660,000, and there were no claims paid during the year. One claim amounting to $237.64 has been paid. This clearly shows that the fishermen are meeting their obligations.

In 1959, when an amendment to this act was introduced, representations were made to the minister to the effect that there was not enough publicity given to the act, not enough fishermen knew the act existed, and there was a definite reluctance on the part of the chartered banks to make loans under this act.

I think that some major amendment should be effected to make this act more practical and more adaptable to the needs of the fishermen. The act should be amended to assist fishermen in the case of disaster. If a fisherman, for example, loses his boat and fishing gear he is in no position to make the down payment which is required by the chartered banks. If the act were amended so that the amount guaranteed by the government were 25 per cent instead of 15 per cent in the case of a major loss by a fisherman, I am convinced that more fishermen would take advantage of this measure.

I would therefore suggest that before the bill is introduced the minister gives further consideration to it and includes in it some major amendment which will be of some assistance to fishermen.

Mr. Carter: Mr. Chairman, I should like to add my voice to hon. members who have already spoken urging the minister to give consideration to extending the scope of this legislation. As the minister told us, this legislation was set up in 1955 to fill a specific need. Now, after more than five years experience with it, we know it is not doing the job it was intended to do and is not coming anywhere near filling the need that has to be met.

The minister told us that the amount lent under this act has been very modest. In a parliamentary return that was tabled in this house some time ago it was shown that since the inception of this legislation only 854 loans have been made from December, 1955 right up till the end of March, 1961. That has worked out to less than $200,000 per year.

In my own province of Newfoundland, during that time only 10 loans have been made, one in 1955-56 for $750; two in 1956-57 for $1,000 in total; in 1957-58 and 1958-59 there were no loans at all; in 1959-60 there were two loans totalling $2,448, and in 1960-61

there were five loans totalling $8,065. Altogether in the entire period from December 12, 1955 right up to the end of March, 1961 only 10 loans were made, for an aggregate of $11,753.

The minister told us when he introduced this legislation that its purpose was to enable fishermen to acquire vessels, to acquire shares in fishing vessels and to modernize their equipment. How many vessels can you buy for $11,000, or for an average of $2,000 per year; how much equipment can you get?

This is vital to our province because the fishing industry is one of the mainstays of our economy. We have about 18,000 fishermen making a livelihood out of the fishery, and the fishery is one of the industries that is self-perpetuating and is certainly capable of being expanded and modernized to compete with the fisheries of other countries.

The fisherman is a small operator, for the most part, and he needs more assistance than he can get under this legislation. The hon. member for Skeena has pointed out some of the difficulties, and I am not going to repeat what I have said on so many occasions in this house, that it is impossible for the ordinary fisherman in my province to get loans from the banks. I think that is amply proven by the fact that in six years only 10 loans totalling under $12,000 were made. For a vital industry of a country, this kind of lending cannot have any impact at all. There is just as much need—I would say, an even far greater need—on the part of fishermen as there is on the part of farmers. This legislation is not meeting the need that has to be met, and that must be met if we are going to modernize our industry and put it on a sound economic basis. For these reasons I should like to add my voice to those of hon. members who have already urged the minister to either change this legislation or set up some other means of filling this need.

Mr. Batten: Mr. Chairman, the resolution before us is:

> That it is expedient to introduce a measure to amend the Fisheries Improvement Loans Act to extend the period during which guaranteed loans may be made to the 30th day of June, 1965.

Obviously if this act is going to be used at all, the payment period would have to be extended, but after all it is a very minor amendment to a piece of legislation which I would have hoped would have been a greater advantage to the fishermen and would have been used more readily.

I think the experience we have had with this act over the last few years shows that it has not had the appeal to fishermen that we all wished it would have. I think one of the things that should be done in amending this act is to make a study to determine why the act has not done for the fishermen what it was intended to do, and why it has not received the attention and use by the fishermen that we would normally expect. I think an effort should be made to find out why.

There can be no doubt about the need as far as my province is concerned. There are three or four areas in my constituency where, if men are going to make a living, they have to resort to the fishing industry. They now do not have the boats, they do not have the gear, they do not have the inshore fishing property that would allow them to make a living which is compatible with our cost of living today. Perhaps years ago, under the conditions which existed at that time they were able to make a living of sorts. Today their needs are greater, and if they are going to make a living out of the fishing industry they must be able to fish earlier in the year. They must be able to carry on their fishing activities later in the year, and all this demands bigger, stronger and better equipment. If these men are going to need bigger, stronger and better equipment, as they do, it means a larger investment, and the only way in which these people can get funds to improve their equipment is by getting loans. Our Newfoundland fishermen for some reason or other are finding it difficult to get loans under this act. As my hon. friend from Burin-Burgeo has just stated, very few loans have been made to Newfoundland fishermen under this measure. I feel there is some reason for this, and an investigation into those reasons would be very worth while in order that the act might be amended in such a way as to give our fishermen the loans they need to continue to make a living in the industry.

Mr. Fleming (Eglinton): There are several points raised by hon. members on which I think it was desired I should make some comment. I was asked about the geographical distribution of these loans. I can give the information for the most recent nine month period from April 1 to December 31, 1961. This is the number of loans, by provinces: Prince Edward Island, 67; Nova Scotia, 27; British Columbia, 23; New Brunswick, 4; Newfoundland, 2; Quebec, 2; Ontario, 1; Saskatchewan, 1; total, 127.

Mr. Carter: Is that for last year?

Mr. Fleming (Eglinton): That is for the most recent nine month period, April 1 to December 31, 1961.

I can give the hon. member the figures for the same period in 1960 for comparison:

Prince Edward Island, 58; Nova Scotia, 7; British Columbia, 16; New Brunswick, 8; Newfoundland, 5; Quebec, 9.

Reference was made to the part that credit unions and caisses populaires are entitled to play in the administration of this act. When this measure was enacted in 1955 the original definition of lenders was written, and it has remained unchanged. According to a provision in section 2 of the act "lender" means, first, a bank, and second, a credit union, caisse populaire or other co-operative credit association designated by the minister as a lender for the purpose of the act. Of course, the reason given at that time by the government which introduced this legislation for including the credit unions and caisses populaires as lenders under this legislation, whereas they were not admitted to that status under the terms of the Farm Improvement Loans Act, was that in certain areas of Canada, and particularly in Newfoundland, branch bank facilities were so limited that it was felt it was necessary to include these other institutions in order to afford opportunities to the fishermen.

There have been very few loans made by credit unions in pursuance of this legislation. They have a status of lender under the act, but the total number of loans made by credit unions and caisses populaires since the legislation came into effect is just 59.

Mr. Pickersgill: Out of a total of how many?

Mr. Fleming (Eglinton): I gave the total in my first statement—981.

Mr. Pickersgill: Not a bad percentage.

Mr. Fleming (Eglinton): I was asked about the effect of section 5 of the act, that is, the section which provides for the termination of liability by order in council on proclamation in any locality for any of the purposes specified in this act. No use has been made of that power at any time to my knowledge, and I can assure hon. members that I have no intention of making a recommendation at any time that I can foresee for the exercise of any such power.

I was asked also about the number of claims there had been, or cases of default. The record here is again remarkable. The annual report for the fiscal year ended March 31, 1961 showed that no claims had been paid during the year. One claim amounting to $277.64 has been paid. That is, indeed, a record which can be interpreted in various ways: first of all that the fishermen who have been borrowers under this act have been very prompt in their payments; it also could be interpreted as indicating that the banks have followed a cautious policy in lending under this legislation. I have already indicated that the use which has been made of the facilities of this act has been, in terms of volume, modest.

Next, I was asked concerning the terms of the loans permitted under this act and, in particular, as to the present ceiling of $4,000 on an individual loan. It may surprise some hon. members who have spoken on the subject to learn that experience has shown that there has been no crowding of that ceiling. We have received, to my knowledge, no representations from fishing organizations on this subject nor have we been told by the banks that there has been any pressure on that ceiling which might be relieved by an increase. In this respect we should be glad to examine any representations which may be made in the light of experience.

Finally, some reference was made to the disasters which overtake fishermen in respect to their equipment and gear. I remind hon. members that such cases are taken care of under an altogether different provision. This present legislation was not intended to cover cases of disaster. We have a plan to deal with that, and it is known as the fishermen's indemnity plan. Provision is made for that, as hon. members know, under the Department of Fisheries, and parliament will be asked later to appropriate a sum of money to cover the administration of that plan.

Mr. Robichaud: On that last point, is the minister aware that claims on the fishermen's indemnity fund can only be made with respect to certain types of gear, and that these are the types of gear covered by an insurance policy bought by the fishermen? There are many types of gear which are not included under that scheme but which can be included under loans to fishermen.

Mr. Howard: I should like to indicate that we appreciate the clarity with which the minister has dealt with the various questions which were raised earlier.

It is surprising to me that we intend to retain in statute form a provision which no one has any intention of using. The minister talked about section 5 of the act, the section to which he was opposed in 1955. He says it has never been used and that he himself has no intention of recommending to the governor in council that it should be used. It seems to me we are going to a lot of unnecessary trouble by reprinting statutes from time to time which contain provisions we do not intend to use.

I commend the minister for his own attitude. I think we should not decide that the act should be applicable to certain areas of the country and not to others. As I say, it seems strange to me that we should not do

a thorough job and toss unwanted sections out so that the act may read more clearly. What probably happened is that the minister forgot what he said in 1955 and said what he said a moment ago about section 5 as an afterthought to cover up his failure in this regard.

The minister mentioned that the banking institutions said there had been no crowding of the ceiling of $4,000. I understood him to say he received no representations asking for an increase or extension of that ceiling. If the minister reviews his correspondence, voluminous as it may be, he will find that in 1959 he did receive a communication in this regard. The united fishermen and allied workers' union, spokesmen for the largest group of fishermen on the west coast, at their fifteenth annual convention passed the following resolution:

> Whereas the Fisheries Improvement Loans Act has been of benefit to some fishermen but is not altogether satisfactory particularly on the west coast of Canada where costs of boats and materials are higher than elsewhere
>
> Therefore be it resolved that this fifteenth annual convention of the united fishermen and allied workers' union request the Minister of Finance to make the following amendments to the above act.

The second point of the resolution reads:

> 2. Increase the maximum amount of a single loan from $4,000 to $8,000.

I know for a fact this was forwarded to the minister. I do not know what answer he gave. Following my receipt of the resolution I wrote the minister forwarding the resolution. I do not have a copy of my letter available and I do not recall whether he replied. This was in 1959. Here in fact is one organization which communicated with the minister asking for an increase in the ceiling.

Mr. Fleming (Eglinton): If the hon. member would permit me to interrupt, I was speaking of the period since this subject was last discussed, the time he was speaking of when he spoke earlier, since 1959.

Mr. Howard: Perhaps we should clear this up. We can still say the minister got that before the period of time he was talking about. The letter I have forwarding the resolution to me is dated May 8, 1959. The debate on the last amendment to the act commenced just before six o'clock on March 10, 1959. The dates coincide. It is difficult to say whether this was communicated to the minister before or after but it was around that period of time. This means the minister has had a couple of years in which to think about this. He has stated that he has received no requests and intends to do nothing about it. He said the banks have indicated there is no crowding, as he put it, of the $4,000 ceiling.

That is understandable for the following reason. My examination of the record indicates that the fishermen of British Columbia have taken greater advantage of the act than those in other provinces not with respect to the number of applications but with respect to the total value of the loans, which indicates that loans on the west coast are higher in value than those in the maritimes. Some fishermen who have knowledge of this act, knowing they can borrow money, make inquiries and discover the amount they can borrow is limited to $4,000. Knowing that, even though they may need $8,000 or $9,000 they realize they would be wasting their time trying to get that much from the bank. They therefore arrange their finances in such a way as to permit them to operate within the loan they will receive or try to curtail expenses and skimp on what they could do if they received a larger loan.

As is the case with the increases in the ceiling under the Farm Improvement Loans Act the minister will find the increases in the ceiling under this act will be beneficial to fishermen on the east and west coasts. I urge the minister to take into consideration the other matters I have raised.

While listening to the minister I examined *Hansard* of 1959. The debate on the amendment introduced at that time covers only a few pages because the bill was rushed through all stages by unanimous consent in view of the urgency of the situation. In approximately eight pages, from page 1804 to 1813 of *Hansard* of March 10, 1959, the minister on at least three occasions indicated that a continuing review would be made with a view to introducing amendments to the legislation as required. At page 1805 the minister was reported as having said:

> Several suggestions have been made with respect to amendments to this bill, all of them, I think I may say, designed to enlarge the scope of the bill. When the previous resolution was before the committee I said that these would be taken under study and they will be taken under study. The one that is before the committee now is one that readily commended itself and had some general support in the discussion, and it seemed to us to lend itself to early decision.

This indicates that perhaps decision on other matters required some study over a period of time, perhaps two and a half to three years as apparently is the case now. The minister went on to say:

> That is the reason why the house is being asked to permit the amendment of the bill, in the course of its passage, to permit this enlargement in the provisions.

Throughout the debate the minister indicated that the matter would be under study and possibly changes enlarging the scope of the act would be introduced. That was in

1959. Almost three years have elapsed since then. The minister indicated that proposed changes would be studied and discussed with the banks and at a later time he would come before the house asking for additional amendments. I am not admitting there is any validity in the minister's reasoning but apparently he has not felt prepared to make a comment with respect to enlarging any other features of the bill. In the three year period that has elapsed the minister should have reached a decision on these proposals and should have introduced changes to this extremely important piece of legislation instead of coming before us, diddling around by making extensions because of emergency conditions such as the expiry of the act.

Mr. Creaghan: Mr. Chairman, I should like to say a few words on this rather unimportant piece of legislation. I say it is unimportant because it has been of little or no benefit to the fishermen in eastern New Brunswick.

I believe the minister deserves to be commended by hon. members of this house for having the patience and determination in bringing forth amendments to this legislation on two occasions within a period of six years. I believe he is obligated by law to do so because of existing loans and to carry forward in perpetuity a piece of legislation that was no good even when it was first introduced. I heard the minister give his statement earlier tonight. I believe he said four loans were made in the province of New Brunswick between April and December 1961. I do not know whether the loans were average or below average. However, I think that is ample evidence that there is very little need for this act. As has been said by people who represent the fisheries, what we need is definitely some sort of a fishery credit corporation such as that which was introduced for agriculture a year or two ago. I refer to a corporation under the Department of Fisheries, an organization that is in contact with the fisheries.

From time to time I hear of fishermen going to the bank. The bankers themselves hardly know of the existence of this legislation, let alone the fishermen. Many of the fishermen feel that it is up to provincial administrations to make loans, and some of the eastern provinces have set up minor departments of fisheries in order to try to give assistance. However, Mr. Chairman, this is a federal problem.

I commend the government for taking the time of the House of Commons to keep this statute alive, as that is all we are doing. It is obvious that the limits are high enough. Only a few complain about it or use it, except perhaps in the province of British Columbia. I congratulate the minister for his courage and his perseverance and patience. I hope that he and his colleagues will soon be able to bring in a fisheries credit corporation which will perform an adequate service for the fisheries.

Mr. Carter: I just wish to ask the minister a question. If I heard him correctly he said that since the end of March, 1961, to the latest date he has, two loans were made in Newfoundland. Can he give us the aggregate of those two loans?

Mr. Fleming (Eglinton): Yes. Two loans made in Newfoundland between April 1 and December 31, 1961, were for an aggregate sum of $4,800.

Mr. MacLellan: I should like to take a moment to express my views with regard to this piece of legislation now before the committee. Coming as I do from a riding in which there are a great number of shore fishermen, it has been my experience that this act has been of very little use to the people to whom it was intended to be of assistance. The shore fishermen are by far the greatest proportion of people engaged in the fishery in the Atlantic provinces, though it is quite true that the largest proportion of the catch is landed by people fishing from larger boats and operating out of the modern processing plants. Some 15,000 families are dependant directly upon the shore fishery in the province of Nova Scotia.

These are the people who need some special new type of credit facilities. They have found the Fisheries Improvement Loans Act to be of very little use to them for the simple reason that the bankers for some reason or other will not extend sufficient credit under the act. Since the act provides a guarantee of 15 per cent of a portion of any loans made under it and ten per cent of the balance, one would think that this type of loan was one which would recommend itself to the banks. However, it has been my experience and that of a great many of my constituents who have got in touch with me from time to time with regard to this matter that the act is of very little use in practical effect. I wonder whether the minister would make some inquiry to ascertain whether there is not some way in which the act could be of more use to the shore fishermen for whom it was designed. It may be that this is only a matter of bringing to the attention of the banking community that this act could be of great benefit to the shore fishermen if it were applied with more flexibility.

I notice that in 1961 very few loans were approved in the province of Nova Scotia. I suppose that next to Newfoundland, it is the province which has the largest number of

shore fishermen in Canada. In 1961 in Nova Scotia, only some $21,691 of loans were approved, yet the record of loans made under this act so far has been that these loans were repaid. The department has suffered little loss, I understand, in claims made under this legislation. It is too bad that some way could not be found to make more credit available to the shore fishermen. I am sure that some other method is needed rather than this particular type of legislation. My colleague from Westmorland a few minutes ago mentioned that he thought the best idea would be to set up a credit corporation for fishermen similar to that used for farm credit. I think this would be a very good idea. It may well be that this whole problem of credit for the shore fishermen and the rural dweller in general should be examined by a royal commission or some other type of inquiry. I am sure no other section of this nation is more in need of rejuvenation or rehabilitation than are the people engaged in the shore fishery. There are some fishing districts in the province of Nova Scotia—and I am sure this is so in the other provinces in the Atlantic area as well—who are as much in need of redevelopment as are some areas receiving aid under the Colombo plan.

I should like to see an inquiry made towards setting up some sort of credit system which would encompass the wider needs of the people in rural areas, particularly in the maritime section. I find that it is impossible really to say that very many fishermen subsist by their shore fishery alone. Shore fishermen usually are part time fishermen, part time lumbermen and part time farmers. Yet there is no one agency to which this group of people can go to seek over-all credit. They either must qualify as full time fishermen as under this act, or as full time farmers under other legislation. I should like to see some sort of rural assistance program set up which would allow a man who is receiving part of his income from the fishery, part from farming and part from lumbering, to go to one source where he would get adequate credit to help him to carry on his entire business operation, which requires him to look to the fruits of the sea, of the land and of the forests at once. The problems of the people in rural areas, particularly along our sea coast who rely chiefly upon the fishing industry for their livelihood and who turn in other seasons to other parts of the economy, needs special attention now, ahead of any other sector of the Canadian community.

I would sincerely recommend to the Minister of Finance, whom we have found to take our suggestions very readily in matters of this kind, that he see whether there is some way in which an adequate system of credit for the shore fishing industry could be set up. I can tell him that it would be a great boon to a section of the population which badly needs some help in this sector.

The Chairman: Shall the resolution carry?

Mr. Pickersgill: Just before the item carries may I say this. I am naturally very pleased to have these latter day supporters of the policy which I have advocated every time this matter has been before the house and every time the fishery estimates have been up for consideration in the last three years. It is encouraging to find that certain hon. members who support the government are now supporting the policy which has been advocated for three or four years by the official opposition and which would merely be carrying out for the fisheries the same policies which the present government has for the farmers. I should like to ask the minister whether he can offer any hope that any such policy will be carried out during the life of the present parliament.

Mr. MacLellan: Before the minister answers, Mr. Chairman, I rise on a question of privilege. If the last speaker was referring to me, I might say that ever since I have come into this house I have supported every move or every proposal of any member of the house for a better system of credit for the people in the rural areas, particularly in the maritime areas. I believe the hon. member for Bonavista-Twillingate will admit that.

Mr. Pickersgill: I do not deny it. I was hoping the minister would say something.

An hon. Member: Two flag Jack.

Mr. McGrath: He has three flags, one for blow, one for show and one for Joe.

Mr. Howard: Mr. Chairman, we can all appreciate that conditions in the fishing industry on the east coast require at least some extra degree of consideration with respect to action by this government or any government for that matter. Earlier this session we spent a considerable amount of time discussing the question of subsidies or payments or whatever they are called to western grain producers on the basis of $1 per cultivated acre up to a maximum of $200 for some nebulous purpose. No one hesitated to say that it was necessary or merited support.

I believe that over three years the total amount payable on the basis of $1 per acre exceeds some $120 million. I do not know whether the Minister of Finance is agreeable to paying $1 per cubic mile of fished ocean up to a certain maximum to assist the fishermen to get by in the world, but this situation is one that we should attempt to bring into

some balance. If it is equitable and correct to pay western grain growers as primary producers of food a subsidy on an acreage basis, surely in order to bring about some balance with respect to government assistance to primary producers of other foodstuffs, and especially in view of the deteriorating condition of the fishing industry on the west coast as well as on the east coast, we should be considering some means of payment to fishermen in order to bring their incomes into balance and afford them a better opportunity to participate in the economic life of the country.

As I say, I do not know whether it would operate on the basis of $1 per cubic mile of ocean fished, on the basis of so many cents per mile for the mileage that fishing vessels travel to and from port or whether a subsidy would be paid at least to the fishermen on the east coast who have to fish outside the 12 mile limit whereas foreign vessels can fish inside the limit. I do not know what the basis would be but the government should be searching for some plan.

The proposal of so much per cubic mile of ocean fished may sound like an idea taken from outer space, but surely it is within the realm of the imagination of the government to accept the idea and develop it, particularly in view of the fact that there is going to be an election shortly.

The Chairman: Shall the resolution carry?

Mr. Pickersgill: Before the resolution carries, could I ask the hon. member for Skeena a question? Does he really believe that the present government has any imagination?

Mr. Howard: Oh, certainly. They had the imagination to demote the former minister of trade and commerce a few years ago when he got into difficulties. They had the imagination almost to fire the Minister of Finance because of things he said in another country.

The Chairman: Order. I think the hon. member will have enough imagination to know that he is getting out of order.

Resolution reported and concurred in.

Mr. Fleming (Eglinton) thereupon moved for leave to introduce Bill No. C-74, to amend the Fisheries Improvement Loans Act.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the said bill be read the second time? Now?

Mr. Pickersgill: No.

Mr. Deputy Speaker: Next sitting of the house.

CROWN CORPORATIONS

PROVISION FOR PAYMENT OF CERTAIN PROVINCIAL TAXES AND FEES

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the payment of certain provincial taxes and fees by crown corporations on or after the 1st day of April, 1962.

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

Mr. Fleming (Eglinton): Mr. Chairman, the measure referred to in the resolution is another step in the efforts of the federal government to strengthen the fiscal position of the provinces and through them to aid the municipalities also. It will subject 28 named federal crown corporations to the payment of provincial sales taxes, gasoline taxes and automobile and truck licences, waiving their constitutional immunity from such taxes. It will achieve approximate equality of treatment as between provincial crown corporations and agencies in relation to federal sales and excise taxes, on the one hand, and federal crown corporations and agencies in relation to provincial retail sales taxes and gasoline taxes, on the other.

The bill will implement one of the Prime Minister's proposals to the federal-provincial conference of February 23-24, 1961. At that time the Prime Minister stated:

We have given further thought to the means of achieving reciprocity of treatment in the position of provincial crown corporations and agencies under federal sales and excise taxes and the position of federal corporations and agencies under provincial direct taxes on purchases. We are prepared to waive federal immunity from taxation and instruct federal corporations and agencies to pay provincial purchase taxes and other similar taxes on the understanding that provincial corporations and agencies will be subject to federal sales and excise taxes. We think that this is an equitable arrangement, being in accordance with the general principles followed in regard to the payment of federal taxes on purchases by federal departments. We think it is better than reciprocal exemptions as an administrative and accounting arrangement, preserving as it will a fairer relationship between crown corporations and agencies in general and private businesses.

The federal government now enjoys a constitutional advantage over the provinces in the imposition of taxes because of its exclusive right to impose indirect taxes. Neither level of government has power to tax the other directly. The provinces have no power to impose indirect taxes. The federal government, having such powers, could collect sales and excise taxes from manufacturers and wholesalers selling to the provinces and the manufacturers and wholesalers could pass the tax along to the provincial governments in

the form of increased prices although there would be no actual levy of tax on the crown in the right of the province. The provincial governments, on the other hand, lacking the power to impose indirect taxes, cannot so easily impose taxes which are passed on to the federal government, although undoubtedly certain provincial direct taxes become elements of cost and are in this way passed on to the federal government.

In actual fact, the federal government has never pressed its constitutional advantage to the limit and has voluntarily provided a statutory exemption in respect of goods purchased for use by provincial departments, with the result that its sales and excise taxes impinge upon the provinces only through their crown corporations and agencies.

It is therefore apparent that the federal government, by instructing its own corporations and agencies to pay provincial sales taxes, is making a unilateral concession which will have the approximate effect of placing the two levels of government on the same footing. I have stated only that approximate equality of treatment would be achieved by the proposed bill. It is, frankly, difficult to make a more precise claim because of the real problem, at both the federal and provincial levels, of distinguishing between departments and agencies. Lest any hon. member should under-estimate the importance of this concession, however, may I call the attention of the committee to the fact that the bill actually goes the extra mile by providing that federal corporations shall expose themselves not only to retail sales and gasoline taxes, but also to automobile and truck licences. The latter, of course, are a provincial tax with no federal counterpart so that federal corporations will actually be exposed to provincial taxes of a greater variety than the federal taxes to which provincial agencies are now exposed.

The 28 federal crown corporations which will be instructed to pay retail sales taxes, gasoline taxes, and automobile or truck licences imposed by the provinces, are listed in the schedule to the bill. These corporations were selected after a careful scrutiny of all branches of the federal government. Essentially, they consist of all but three of the crown corporations listed under the Financial Administration Act plus those unlisted corporations which seemed comparable in function or legal status.

Concerning the corporations listed in the Financial Administration Act, these come entirely from schedules C and D since the bodies listed in schedules A and B are defined, by section 2(f) of the act, to be departments. Three corporations listed in schedule C of the act have been excluded on grounds of principle. These agencies, Canadian Arsenals Limited, Crown Assets Disposal Corporation, and Defence Construction (1951) Limited, differ from the other schedule C and D corporations in that they operate almost entirely to provide what might be described as internal services for federal government departments. The corporations outside of the Financial Administration Act which will be covered by this bill are the Bank of Canada, Canada council, Canadian wheat board, industrial development bank, national productivity council, and the Northern Ontario Pipe Line Crown Corporation.

No recent estimate has been made of the cost to the 28 crown corporations of complying with the provisions of this bill. However, on the basis of a survey made in respect of the 1958 taxation year, it is estimated that the approximate cost will be $3 million. The cost would be substantially greater except for the fact that many of the crown corporations listed in the schedule are already voluntarily paying all or some of the taxes with which this bill is concerned. The effect of the bill, therefore, will be to place all 28 corporations on the same footing concerning the payment of sales taxes, gasoline taxes, and automobile or truck licences.

These are the main features of the proposed legislation. It represents an important concession to the provinces and marks the first time in history that this federal immunity has been waived for their benefit. It will accordingly contribute to the fiscal strength and independence of the provinces.

Mr. Benidickson: We have before us a very interesting resolution which will be followed by a bill that we will read with great interest. As I recall the circumstances in perhaps the largest province of Canada, Ontario, which had a government favourable to the present government in so far as its political inclinations were concerned, the government of that province went on strike. The government of Premier Frost decided that it did not intend to permit its crown entities to pay sales taxes to the federal government. The government of Ontario felt that there was a difficulty here and stopped, as I say, paying these taxes.

The Minister of Finance indicates that the federal government has decided, out of great generosity, to pay something that it was not being pressed to pay. I want to say that if the Prime Minister, on the basis of reciprocity told an interprovincial conference in February, 1961, that he was prepared to do something along this line, he was just 12 months behind the times. I think the reason he is doing something is that the province of Ontario, a relatively friendly government to the present federal government, stopped

paying sales taxes to the federal government in respect of the purchases of such big provincial crown corporations as Ontario hydro.

Before proceeding too much further, I think we should hear from the Minister of Finance as to whether or not he has been receiving sales taxes levied by the federal government from Ontario crown corporations. I should like to know how long there has been a default in the payment of sales taxes with respect to Ontario hydro. I should like to know if there is no default at the moment, whether there was, in fact, a default a year ago and for how long that default existed. How many millions of dollars were involved in the payments withheld by Ontario hydro and other provincial crown corporations? It is all very well for the Minister of Finance to suggest that this is something that was proffered to the provincial government. I say it was not. This government resisted and complained about the fact that the province of Ontario felt it should not pay sales taxes to the federal government.

Now, the federal government, through its crown corporations such as Polymer and many others with almost similar commercial operations, refuse to pay the Ontario tax on gasoline purchases or the normal licence fees for vehicles operated by the corporation within the province. I say that we had an impasse between two Conservative governments, the government at Queen's Park and the government at Ottawa. There may be other provinces in which similar difficulties have been experienced. I expect that during this debate we will hear from British Columbia members as to what their feelings are with respect to this proposal, particularly in so far as the purchase of the British Columbia Electric Company is concerned, which until recently was not a provincial entity. I hope we will hear more about that.

I want to say that the Minister of Finance has gone far out of line in suggesting that this is an act of generosity on the part of the federal government, proposed by the Prime Minister of this country in February of 1961 at a federal-provincial conference. I say, on the contrary, that the Minister of Finance, those associated with him and the Prime Minister were met with a strike on the part of the government of Ontario, who refused to pay taxes imposed by the federal government, and this is a concession to the stand that was taken by their friend Premier Frost.

Mr. Fleming (Eglinton): That is nonsense.

Mr. Martin (Essex East): Well, it sounds pretty reasonable.

Mr. Herridge: Mr. Chairman, I have listened with interest to the minister's explanation of this very interesting legislation which he described, I think, as an act of generosity on the part of the government, and I have listened with interest to the remarks of the hon. member for Kenora-Rainy River in which he discounted that generosity. He implied that there are other motives for the introduction of this resolution, and I suppose that in every sense of the word he considers it expedient. That is a lovely term that we use in the introduction of resolutions.

However, we are not sufficiently informed on this question at the present time to speak with confidence and therefore the members of this group intend to reserve their remarks until they have had an opportunity to read the bill.

Mr. Pickersgill: Mr. Chairman, it does seem to me that before we can accept the resolution we need a little more information than the minister has given us about the background of this matter. Some of us have had quite a long experience of federal-provincial financial negotiations—the Minister of Finance has had a pretty bitter experience of them—and we do know this, that it is a rare enough thing for ministers of finance or even prime ministers simply to hand something as a concession to the provinces unless there is some historical background for it.

We all know, of course, that immense, almost encyclopedic knowledge of finance that is possessed by the Prime Minister who made this offer, and I think the minister should disclose just a little bit—lift the curtain a little bit—of that background for us and tell us why this particular concession should suddenly have been decided upon.

I think the minister should also tell us how the provinces are apt to benefit from this relatively, and if it will not turn out that this is no concession at all to the provinces that most need bolstering up financially, and that the bulk of any advantage that will come from this will be, as everything seems to be that is done by this government, to that province which financially is in the best position. I think perhaps the minister might give us a breakdown, as well as a little historical background.

Mr. Fleming (Eglinton): Mr. Chairman, I gave the essentials of the historical background. This matter was discussed at the dominion-provincial conference, to which I have made reference. The provinces, of course, were interested in receiving some opportunity of levying their commodity taxes on federal crown corporations. There was some discussion as to whether in seeking something approaching equality of treatment of crown corporations federal and provincial, in respect

of taxes provincial and federal respectively the expedient should take the form of mutual immunity or mutual taxation.

The view of the federal government was that the sounder course was mutual taxation, and this view has been accepted and it is embodied in the present bill.

I indicated in my earlier statement the difficulty of making any precise reckoning of what this will mean in the payment of taxes by these 28 crown corporations.

Mr. Martin (Essex East): You must have made an estimate.

Mr. Fleming (Eglinton): I did, and I referred to it in my statement. I am sorry the hon. member did not follow what I said on that point. But I am not in a position to make any breakdown on this as among the 10 provinces. No one can do that at this time.

Mr. Benidickson: Mr. Chairman, we are approaching ten o'clock and it is obvious that we will not conclude this debate tonight—

An hon. Member: You do not want to.

Mr. Benidickson: —but overnight I am confident that the Minister of Finance will consult his colleague the Minister of National Revenue and will be able to inform this committee when it next assembles whether or not there are now any outstanding claims on the part of the federal government against any crown corporation such as exists in my own province, let alone the other nine provinces. I refer to the Ontario hydro. Had the Ontario hydro any outstanding liabilities to the federal government prior to the passing of this legislation; and if so, how much, and for how long has the Ontario hydro been neglectful of its obligation to pay what might be in the opinion of the Minister of Finance a due debt under our Excise Tax Act?

Perhaps there are some other obligations of crown corporations in other provinces. Could we have, before we reassemble, a statement from the Minister of Finance as to any claims that the federal government has been advancing up to this time against crown corporations incorporated under provincial jurisdiction? Could we know what those crown corporations are, what the taxes are that have been asked for and have not been paid, and for how long have those debts claimed by the federal government remained unpaid?

The Chairman: Shall the resolution carry?

Mr. Pickersgill: No, Mr. Chairman. I think that when the minister is doing the research my hon. friend from Kenora-Rainy River asked him to do, he might do a little research and find out so that he can tell us just what the estimate of the benefit will be to each of the provinces. I cannot believe that the Prime Minister would have made this extraordinarily generous offer and that it would have been discussed at a federal-provincial conference at some length without some of the premiers wishing to know how they were going to fare as compared with others.

Mr. Benidickson: I do not think it was in the published minutes.

Mr. Pickersgill: The minister is straining our credulity a little bit, because we all know that provincial premiers are very interested in practical questions of this sort. We in this house who represent the different provinces are also entitled to have this information; we ought to know what we are doing.

Mr. Churchill: You seldom do.

Mr. Pickersgill: We are giving away money that is collected from the federal taxpayers and putting it into the provincial treasuries. That is what this measure is seeking to do, and we ought to know in what proportions it is going into the treasuries of the various provinces before we accede to this resolution. Mr. Chairman, it is ten o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, before you leave the chair I wonder if the house leader could, if possible, indicate in a general way what the business will be for the rest of the week.

Mr. Churchill: Tomorrow, Mr. Speaker, we will commence with the second reading of the bill to amend the Farm Improvement Loans Act, then second reading of the bill to amend the Fisheries Improvement Loans Act, followed by the committee stage of Bill No. C-67 dealing with a proposed railway line in the Gaspe peninsula. The fourth item would be the resolution in the name of the Minister of Finance dealing with crown corporations; item 5, the resolution in the name of the Minister of Finance dealing with the Currency, Mint and Exchange Fund Act. The next item would be the resolution in the name of the Secretary of State dealing with the universal copyright convention.

The work for the balance of the week depends upon the progress we make in connection with this legislation.

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

HOUSE OF COMMONS

Wednesday, March 7, 1962

The house met at 2.30 p.m.

TRADE

TABLING OF INTERIM CANADA-U.S. AGREEMENT ON DUTY RATES

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I wish to table three copies of an interim agreement between Canada and the United States relating to rates of duty, signed today at Geneva. This agreement embodies the results of negotiations between representatives of the two countries during the multilateral tariff conference which opened at Geneva in September, 1960, under the auspices of the general agreement on tariffs and trade.

In recent years the value of the two way trade between Canada and the United States represented by the items contained in the two schedules to the interim agreement has been about $130 million to $140 million per annum. All of the items in the United States schedule provide for reductions in rate, and they apply to Canadian exports which averaged about $65 million in the three year period 1958-60. The Canadian schedule provides for reductions in duties applying to imports from the United States averaging about $63 million per annum in the same three year period. In addition, Canada bound existing free entry provisions relating to a considerable number of farm implements and other items of production equipment which had not previously been bound, and for which import statistics are not separately available.

In addition to this agreement with Canada, the United States has entered into similar agreements with several other contracting parties to the GATT, including Britain, the European economic community, Japan, Sweden, Austria, Denmark, Finland, Israel, New Zealand, Norway, Pakistan, Peru, Portugal and Switzerland.

Indirect benefits of very considerable significance to Canadian exporters will accrue to Canada under the operation of the most favoured nation principle by virtue of these interim agreements between the United States and some of the third countries I have just listed.

The multilateral effect of these agreements between Canada and the United States and between the United States and third countries will be to open greatly enhanced prospects for Canadian exports. Reduction in duties arising from this series of agreements will provide benefits to almost every sector of the Canadian economy.

The interim agreement tabled today relates to the bilateral tariff negotiations between Canada and the United States under the so-called "Dillon round" of the multilateral tariff conference at Geneva. The results of Canada's bilateral negotiations with countries other than the United States, some of which are not yet concluded, will be announced in due course and will appear as part of the official conference protocols.

The interim agreement between Canada and the United States takes effect as of the date of signature. The textual part of the agreement as tabled is in English and in French, as is the schedule of tariff concessions granted by Canada.

The schedules setting forth concessions received and granted by Canada will enter into force 30 days after exchange of notification between the two countries or at a date to be agreed upon, and will later be incorporated into the official conference protocols which cannot be issued at Geneva until the conclusion of the series of bilateral negotiations. On issuance of the conference protocols the interim agreement will cease to have force or effect.

I now table a further document which summarizes in English and in French the two schedules to the interim agreement. Hon. members will find in the summary of concessions received by Canada under the agreement three figures in brackets. The first is the duty levied at present by the United States; the second is the duty leviable after the first stage of the reduction; the third is the duty finally leviable, that is, the fully reduced rate.

The reductions in United States rates resulting from the negotiations will, almost without exception, come into force by two annual stages, the first such reduction resulting in what is described in the U.S.A. schedule as the "intermediate" rate, and the second as the "final". Precise information is not yet available as to the exact date or dates on which the President of the United States will, by proclamation, bring the reduced rates into force.

Full details of the benefits accruing to Canada under the most favoured nation principle from the series of bilateral agreements

between the United States and third countries will be made public when the provisions of the numerous schedules of concessions to these agreements have been analysed.

I believe, Mr. Speaker, that in relation to the coming into effect of these mutual tariff reductions hon. members are aware that the governor in council possesses power under section 10 of the Customs Tariff to make such reductions in duties on goods imported into Canada from any other country or countries as may be deemed reasonable by way of compensation for concessions granted by any such country or countries. It will therefore be open to the government to bring these reductions in the Canadian tariff into effect on the date to be agreed upon following exercise by the President of the United States of the powers conferred on him by congress under existing legislation in that regard.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the minister's announcement would appear to cover a substantial section of our export trade in the agreement he has referred to between, initially, Canada and the United States and, by the application of the most favoured nation clause, to other countries as well. It certainly will warrant the most careful examination. In so far as this agreement removes obstacles to multilateral international trade and increases our own export trade on a mutually advantageous basis, it will be greatly welcomed on this side.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, our group naturally welcomes any move that is being made by the government to reduce tariff barriers hindering trade between our country and other countries. We are, of course, in the position that we will have to study the minister's announcement with great care before we will be able to express our opinion as to the eventual benefits or otherwise that our country will derive.

I was a little surprised at the bias toward bilateral agreements in the announcement by the minister. I noticed that he made reference to multilateral advantages that might be derived as a result of the agreement. We were very interested in a Reuters news dispatch today emanating from Geneva to the effect that the United States has arrived at a sweeping agreement with the European common market. No one in the middle of winter, especially a Canadian winter, likes to be caught outdoors in the nude. We are hoping that it is the intention of the government to follow through and do as the United States government has done, and reach a mutually beneficial agreement with the European common market at a very early date.

Mr. Speaker: Order. The hon. member is going beyond the scope of the initial announcement.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF BELGIAN MINISTER

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, if the house will allow me I should like to welcome to the diplomatic gallery the Belgian minister of external trade and technical assistance, Mr. Maurice-Paul Brasseur, who is spending a few days here to discuss with our ministers trade matters of common interest. His presence bears further witness to the close and friendly relations between Canada and Belgium which were sealed in service in two world wars.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to join with the Prime Minister in the welcome he has extended to our friend from Belgium, not only because of his own personal distinction in the government of his country but because of the country he represents, an old and valued friend of Canada.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on behalf of the members of this group and as one who spent quite a number of months on Belgian soil in defence of common interests, we wish to associate ourselves with the remarks of the Prime Minister and the remarks of the official opposition. I trust that the visit of this distinguished gentleman will be to the mutual advantage of both of our countries.

NORTHERN AFFAIRS

TABLING OF REPORT OF CANADA-U.S. COMMITTEE ON MIGRATORY BIRDS

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Last May my colleague the Minister of Agriculture and I met with United States Secretary of Agriculture Freeman and Secretary of the Interior Udall in Ottawa to discuss various agricultural and renewable resource problems affecting Canada and the United States. Discussions included the possibility of joint action to deal with the declining migratory water fowl population, particularly the ducks and geese, which use the international flyways.

A committee with members from each country was appointed to consider the problem. Since last May this international migratory bird committee has met twice in Washington and once in Ottawa. At the request of the committee, the United States fish and wildlife service and the Canadian wildlife service

have undertaken special studies to provide information basic to the committee's deliberations.

The committee has prepared an interim report which I wish to table at this time for the information of hon. members. The report contains several specific recommendations for action, involving pilot projects in the multiple purpose use of lands for the maintenance of water fowl population.

BANKING AND COMMERCE

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Speaker: Does the hon. member for York North wish to revert to presenting reports? Has the hon. member leave to revert to presenting reports?

Some hon. Members: Agreed.

Mr. C. A. Cathers (York North): I have the honour to present the first report of the standing committee on banking and commerce, in English and in French, and by unanimous consent I intend to move concurrence in the report later this day.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I believe that under the statute the Bank of Canada presents an annual report prior to March 1 of every year—

Mr. Speaker: Order; there is no motion before the house at the moment. The report is not debatable until a motion is made for its adoption. Perhaps the hon. member would like now to revert to motions. Has the hon. member leave to revert to motions?

Some hon. Members: Agreed.

Mr. Cathers: By unanimous consent I move that the first report of the standing committee on banking and commerce presented this day be now concurred in.

Mr. Speaker: Has the hon. member unanimous consent to make his motion?

Some hon. Members: Agreed.

Mr. Benidickson: I was not previously in order, but I want to point out to the House of Commons that we have a new governor of the Bank of Canada.

Some hon. Members: Hear, hear.

Mr. Benidickson: I suggest that under the laws governing the Bank of Canada the governor must submit a report to the Minister of Finance within two months after the end of the calendar year, and I assume he presented his report prior to March 1. Within two weeks afterwards, I understand—

Mr. Speaker: Order. I regret to interrupt the hon. member again, but I fail to see the relevance of what he is saying to the motion before the house, which is that the house adopt the first report of the standing committee on banking and commerce relating to a quorum, printing and leave to sit while the house is sitting. I fail to see anything about other matters.

Hon. Paul Martin (Essex East): Like the hon. member for Kenora-Rainy River, I am a member of this committee and this morning attended a meeting of it. At that meeting the hon. gentleman made a request that we have the governor come before the committee, and that his report be tabled. The report now before the house does not contain that suggestion.

Mr. Speaker: Order. Before the hon. member proceeds any further, my recollection of the procedure, the proper procedure or the allowable procedure, on the presentation of a report or motion to confirm a report is that the house is only seized of the matters that are reported on, and it is not only irrelevant but contrary to our practice to discuss proceedings in the committee itself which are not brought forward in the report. The hon. member has rights in the committee with respect to what he seeks to raise now, and if he cannot exercise those rights there then he cannot complain about it at this time as part of the discussion on the committees report.

Mr. Benidickson: Surely we can ask the Minister of Finance whether he has received the report from the new governor of the Bank of Canada?

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

Some hon. Members: Agreed.

Motion agreed to.

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING DEFINITIONS, CONTROL OF DELIVERIES, ETC.

Hon. D. S. Harkness (for the Minister of Agriculture) moved for leave to introduce Bill No. C-75, to amend the Canadian Wheat Board Act.

Some hon. Members: Explain.

Mr. Harkness: The amendments proposed are to extend the powers of the board in various particulars, including the termination of various powers and so forth.

Mr. Pickersgill: That is a fine explanation.

Motion agreed to and bill read the first time.

Questions

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

AGREEMENT AND CONTRACTS, GRAIN SALES TO CHINA

Question No. 70—**Mr. McIlraith:**

1. On what date was the long term agreement between the Canadian wheat board and the China Resources Company with respect to the sale of wheat and barley signed?

2. How many individual contracts have been signed under this agreement, and what is the date of each?

Answer by: **Mr. Harkness:**

1. Apart from the information with respect to volume and credit terms, it is contrary to government policy and not in the public interest to reveal details of the commercial sales contracts entered into by the Canadian wheat board.

2. Five contracts have been signed under the long term agreement negotiated by the Canadian wheat board with the China National Cereals, Oils and Foodstuffs Import and Export Corporation and its accredited agent, the China Resources Company. As indicated in the reply to question (1), the details are considered to be privileged. The volume and shipping period for these contracts are as follows:

	Quantity (million bushels)	Shipping Period	Ports
1.	16.8 wheat	Aug.-Nov. 1961	Pacific
	11.2 wheat	June-Aug. 1961	St. Lawrence
	16.8 barley	June-Nov. 1961	Pacific
2.	6.0 wheat	Aug.-Sept. 1961	St. Lawrence
3.	30.6 wheat	Jan.-May 1962	Pacific
	8.9 barley	Jan.-May 1962	Pacific
4.	1.3 wheat	Dec. 1961-Jan. 1962	Pacific
5.	3.0 wheat	Feb.-May 1962	St. Lawrence-Atlantic.

PRAIRIE FARM ASSISTANCE INSPECTORS, ASSINIBOIA CONSTITUENCY

Question No. 147—**Mr. Argue:**

What is the name and address of each prairie farm assistance inspector who took crop reports within the Assiniboia constituency since August 1, 1961?

Answer by: **Mr. Jorgenson:**

The name and address of each prairie farm assistance inspector who took crop reports within the Assiniboia constituency since August 1, 1961, is as follows:

Name	Address
Blanchard, J.	Galilee, Sask.
Campbell, W. B.	Milestone
Cranfield, M. K.	Limerick
Aust, Chris.	Bengough
Ferguson, F. J.	Radville
Ferris, Wm. E.	Yellow Grass
Hoath, J.	Willowbunch
Schmidt, N.	Buffalo Gap
Panzer, Reynold A.	Lisieux
Bod, Wallace	Lake Alma
Griesser, Chris.	Minton
Schneikart, E.	Crane Valley
Watson, Harvey L.	Avonlea
Stewardson, Willis	Bengough
Johnson, A. H.	Congress
Johnson, Ralph	Beaubier
Joynt, Garnet A.	Rouleau
Lethbridge, E.	Limerick
Lindskog, Sydney	Neptune
McCombs, W. B.	Yellow Grass
McFadden, G. M.	Weyburn, Box 847
McIver, A. S.	Colfax
Myles, J. A.	Coderre
Rainey, Dan	Pangman
Shain, F.	Big Beaver
Smith, W. C.	Bengough
Michel, P. R.	Weyburn
Kaufman, J. C.	Gladmar
Howe, Morse	Lewvan
Lackey, Herman F.	Weyburn
Riviere, Paul	Radville, Box 220
Crossman, D.	Assiniboia
Hordenchuck, J.	Flintoft
Bishop, Keith	Assiniboia, Box 596
Thompson, John R.	Congress
Stuart, Wayne	Bengough
Rude, Chris.	Lake Alma
Hind, Robert	Gladmar
Clark, Les	Rouleau
Blackmore, Leonard	Minton
Grajezyk, Albert	Courval
Mainwaring, Samuel M.	Coderre
Robinson, W. J.	Palmer
Townsend, Jim	Mazenod
Erfle, Bill	Assiniboia
Moore, Willard	Limerick
Frost, A. H.	Mitchellton

Name	Address
Paterson, John	Willow Bunch
Bennett, Tom	Willow Bunch
Pond, Roy	Bengough
Gilles, R. T.	Coronach
Poile, Oliver L.	Coronach
Smith, A. L.	Cardross
Mossing, Bruce	Bengough
Dersch, Glen	Bengough
Evans, B. E.	Morse
Fessler, J.	Drinkwater
Howard, Guy	Minton
Irvin, John	Viceroy
Miller, H. W.	Limerick
Schafer, E. G.	Rockglen
Mossing, Melvin E.	Bengough
Andrews, J. P.	Weyburn, Box 365
Batty, Harold	Lang
Mitchell, John	Milestone
Wangen, Lindsay	Coronach
Miller, Sam B.	Mossbank
Kessler, Walter J.	Assiniboia
Peterson, Mel	Yellow Grass
Otterson, Elmer	Palmer
Labatte, Clifford E.	Gladmar

DISCUSSIONS ON INDIAN AFFAIRS COMMITTEE REPORT

Question No. 183—**Mr. Howard:**

Have the recommendations of the joint committee of the Senate and House of Commons on Indian affairs presented to the house on July 8, 1961, been discussed with any interested parties other than members of the cabinet and civil servants; and, if so, what is (a) the name and address of each such party (b) the date or dates upon which each discussion took place (c) the opinion of each such party (d) the action contemplated with respect thereto?

Answer by: **Mrs. Fairclough:**

(a) and (b). Discussions of a purely informal nature have been held, in the course of regular departmental business, with various individuals and groups across the country. These have involved numerous individual officers of the Indian affairs branch and interested persons outside the department and it would not be practical to attempt to list them in detail. However, among the major organizations who have either made representations or discussed various aspects of the recommendations informally with departmental officers, or considered them at annual meetings, are the Indian association of Alberta, the federation of Saskatchewan Indians and the Indian-Eskimo association of Canada. In addition, the recommendations of the joint committee were discussed fully at the Indian superintendents' national conference held in British Columbia in 1961.

(c) and (d). It is not possible at this stage to state the opinion of the parties or groups concerned, since the discussions were of a purely exploratory nature. Nor is it possible to state what action is contemplated with respect to those discussions, beyond making it clear that the department intends to pursue them with interested groups at every opportunity and to arrange more formal consultations at the appropriate time.

WRITS OF ASSISTANCE, R.C.M.P.

Question No. 184—**Mr. Howard:**

1. Since January 1, 1958, has any writ of assistance been obtained by, of, or on behalf of, any member of the Royal Canadian Mounted Police and, if so, how many?

2. Are any members of the said police force currently in possession of such writs of assistance and, if so, how many?

Answer by: **Mr. Fulton:**

1. Yes—175 writs of assistance were issued to members of the Royal Canadian Mounted Police under authority of the Opium and Narcotic Drug Act between January 1958 and September 15, 1961. On the latter date, the Opium and Narcotic Drug Act was repealed and re-enacted as the Narcotic Control Act and all writs issued under the former act were cancelled. From September 15, 1961, to date, 118 writs of assistance have been issued under authority of the Narcotic Control Act.

On September 15, 1961, part III of the Food and Drugs Act was proclaimed in force and 118 writs of assistance were issued to members of the R.C.M. Police under authority of that act since September 15, 1961 to date.

462 writs of assistance have been issued to members of the R.C.M. Police under the Customs Act since January 1, 1958 to date.

504 writs of assistance have been issued to members of the R.C.M. Police under the Excise Act since January 1, 1958 to date.

2. Yes—118 members of the R.C.M. Police are in possession of writs of assistance under the Narcotic Control Act, and of writs under the Food and Drugs Act.

836 members of the R.C.M. Police are in possession of writs of assistance under the Customs Act.

975 members of the R.C.M. Police are in possession of writs of assistance under the Excise Act.

In many cases the members in possession of writs under the Customs Act are also in possession of writs under the Excise Act.

FRASER RIVER SURVEY RE FLOOD CONTROL

Question No. 219—**Mr. Hicks:**

Are any steps being taken to have a competent firm of engineers make a survey of the Fraser river, 100 miles inland from its mouth, having in view control at flooding time as well as permanent repairs to dykes?

Answer by: **Mr. Dinsdale:**

No.

Questions

MEETING OF PRIME MINISTER AND YUGOSLAV FOREIGN SECRETARY

Question No. 226—**Mr. Martin (Essex East):**

Did the Prime Minister have any meeting, officially or unofficially, during the month of March, 1961, with the foreign secretary of Yugoslavia, Hon. Koca Popovic; and, if so, when did such a meeting take place?

Answer by: **Mr. Diefenbaker:**

I was introduced to Mr. Popovic on March 28, 1961, but no discussions took place.

MIDDLETON, N.S.—ASSISTANCE TO HOSPITAL

Question No. 235—**Mr. Hellyer:**

Has the Department of National Defence assisted financially any hospital located in Middleton, Nova Scotia; and, if so, which hospital; and what form, and in what amounts did such assistance take place?

Answer by: **Mr. Chambers:**

The Department of National Defence made a grant totalling $135,587.76 to the Soldiers Memorial hospital in Middleton, Nova Scotia.

JAPANESE PLYWOOD QUOTA

Question No. 237—**Mr. Garland:**

1. What criteria, if any, does the government take into account in setting a quota figure for the import of Japanese plywood into Canada?
2. Is this quota determined to any extent by housing starts and construction activity?
3. Is the government actively seeking, in current negotiations, a reduction in this particular quota?

Answer by: **Mr. Fleming (Eglinton):**

1. The quota for the export of Japanese plywood to Canada is not set by the Canadian government; it is set by the Japanese government following consultations with the Canadian government. In these consultations the Canadian government takes into account a number of criteria, including the economic outlook and the state of the market for this particular product. This includes consideration of the probable demand for hardwood plywood, which of course is influenced by such factors as housing starts and completions as well as other construction.

2. Answered by 1.

3. It would be improper to reveal the specific positions put forward by the government while the consultations are in progress.

LOAN FOR MILL CONSTRUCTION, SYDNEY, N.S.

Question No. 238—**Mr. Cardin:**

1. Has the federal government presently before it a request for a loan for the construction of a rod and bar mill at Sydney; and, if so, who has requested the loan, and in what amount?
2. What decision, if any, has the government reached on any such request?

[Mr. Dinsdale.]

Answer by: **Mr. Fleming (Eglinton):**

1. No.

2. Answered by 1.

QUESTION PASSED AS ORDER FOR RETURN

*DECREASE IN INDUSTRIAL NON-CONTRIBUTORY PENSIONS

Question No. 232—**Mr. Caron:**

1. Has the government received any representations to the effect that industrial non-contributory pensions have been reduced by the amount of the recent increase in old age security?
2. Is there any regulation that would prevent a company from making such a reduction in its pension payments?

MOTIONS FOR PAPERS

METHOD OF AMENDING CONSTITUTION

Motion No. 2—**Mr. Chevrier:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence exchanged between the Minister of Justice and the attorneys general or other provincial ministers since July 1, 1960, regarding the method of amending the constitution of Canada.

Mr. Fulton: May I ask that this stand. I hope it is the last occasion I shall have to make this request. We have now heard from seven of the 10 provinces.

Motion stands.

RAILWAY SERVICE, SPRINGHILL JUNCTION—SPRINGHILL, N.S.

Motion No. 20—**Mr. Pickersgill:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, since July 1, 1961, between the Minister of Transport or any officers of his department and the premier of Nova Scotia or any other person, regarding the railway between Springhill Junction and Springhill, Nova Scotia.

Mr. Martini: This is acceptable with the usual reservation, subject to the consent of the province.

Mr. Speaker: Subject to the reservation expressed by the parliamentary secretary, is it the pleasure of the house to adopt the motion?

Motion agreed to.

FEASIBILITY OR ECONOMIC SURVEY, MOOSONEE

Motion No. 25—**Mr. Peters:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, and other documents exchanged between the federal government and any other government or any agency, department, or branch thereof, since January 1, 1959, relating to an economic or feasibility survey to examine the possibilities of establishing a salt water port at Moosonee.

Mr. Walker: Accepted, subject to the usual reservations about confidential and privileged documents and also subject to the consent of the province concerned.

Mr. Speaker: Subject to the reservations expressed by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

INTERDEPARTMENTAL COMMITTEE STUDY, MACKENZIE DISTRICT INDIAN INQUIRY

Motion No. 26—**Mr. Howard:**

That an order of the house do issue for a copy of the study by an interdepartmental committee into the recommendations of the commission of inquiry, appointed on June 25, 1959, to inquire generally into all matters arising out of unfulfilled provisions of treaties 8 and 11 as they applied to Indians of the Mackenzie district.

Mrs. Fairclough: Since this matter is now being considered by the government the relevant papers, I am informed, are considered to be privileged documents. I am sorry, therefore, that I cannot agree to produce them.

Mr. Howard: Inasmuch as the report of the commission of inquiry was made public, I see no reason why this should not be treated in the same way. Perhaps it would be better if we were to call in the members, Mr. Speaker.

The house divided on the motion (Mr. Howard) which was negatived on the following division:

Division

YEAS

Messrs:

Herridge
Howard
Martin (Timmins)
Peters
Regier
Winch—6.

NAYS

Messrs:

Aiken
Allard
Allmark
Argue
Asselin
Badanai
Barrington
Baskin
Batten
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Benidickson
Best
Bigg
Bissonnette
Boulanger
Bourbonnais
Bourdages
Bourget
Bourque
Brassard (Lapointe)
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Campbell (Lambton-Kent)
Cardiff
Cardin
Carter
Casselman, Mrs.
Cathers
Chambers
Charlton
Chatterton
Churchill
Clancy
Clermont
Coates
Cooper
Creaghan
Crestohl
Crouse
Danforth
Denis
Deschambault
Deschatelets
Diefenbaker
Dinsdale
Dorion
Doucett
Drouin
Drysdale
Dubois
Dumas
English
Eudes
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Royal)
Flynn
Forbes
Fortin
Fournier
Fulton
Garland
Grafftey
Granger
Grills
Gundlock
Habel
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hanbidge
Harkness
Hees
Hellyer
Henderson
Hicks
Horner (Acadia)
Horner (The Battlefords)
Howe
Jones
Jorgenson
Jung
Keays
Kennedy
Kindt
Knowles
Korchinski
Kucherepa
Lahaye
LaMarsh, Miss
Lambert
Latour
Leduc
Legere
Lennard
Macdonald, Mrs.
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacLellan
Macnaughton
Macquarrie
McBain
McDonald (Hamilton South)
McFarlane
McGrath
McGregor
McIntosh
McLennan
McMillan
McPhillips
McQuillan
McWilliam
Mandziuk
Martel
Martin (Essex East)
Martini
Matheson
Matthews
Meunier
Milligan
Monteith (Perth)
Montgomery
More
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nasserden
Nesbitt
Nielsen
Nowlan
Nugent
O'Hurley
O'Leary
Ormiston
Pallett
Parizeau
Pascoe
Pearson
Pickersgill
Pigeon
Pratt
Racine
Rapp
Regnier
Ricard
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robichaud
Robinson
Rogers
Rompre
Rouleau
Rowe
Rynard
Sevigny
Simpson
Small
Smallwood
Smith (Lincoln)
Smith (Simcoe North)
Southam
Starr
Stefanson
Stewart
Tardif
Thomas
Thrasher
Tremblay
Tucker
Villeneuve
Walker
Webb
Webster
Winkler
Wratten—189.

Mr. Speaker: I declare the motion lost.

Inquiries of the Ministry

FINANCE

BANK OF CANADA—INQUIRY AS TO REPORT

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, could I address a question to the Minister of Finance. Has the Minister of Finance received from the governor of the Bank of Canada a report respecting the 1961 activities of the Bank of Canada? Second, would the minister undertake to refer the report to the banking and commerce committee, with the governor present before that committee, which was set up this day?

Hon. Donald M. Fleming (Minister of Finance): The answer to question No. 1 is yes. The answer to question No. 2 is that I think it will be proper to await the tabling of the report in this house in accordance with the statute and the procedures of the house.

Hon. Paul Martin (Essex East): May I ask a supplementary question. Will the minister place any objection in the way of the committee expressing its wish to do what the hon. member for Kenora-Rainy River has asked?

Mr. Fleming (Eglinton): Mr. Speaker, I refer the hon. member to my answer to the second question posed by his colleague the hon. member for Kenora-Rainy River.

BRITISH COLUMBIA

DESTRUCTION OF POWER SYSTEM—EMIGRATION OF SONS OF FREEDOM

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Prime Minister in view of reports from Nelson, British Columbia, that a 300 ton steel tower was blasted into Kootenay lake last night, thus creating an area wide power failure which will leave 500 to 1,000 men out of work for weeks, if not months. Has the Prime Minister received a telegram from the mayor of Trail stating that, as in wartime, the government must consider the blasting of this vital power link an act of sabotage and take steps to end these dastardly deeds of this minority group? If so, would the Prime Minister inform the house of the government's response to this appeal?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not seen the telegram in question, but I know that representations have been made. The attorney general of British Columbia discussed this whole problem with the Minister of Justice and made a number of suggestions which are being considered. Any that might lead to a solution of this long continuing and recurring problem will be given the fullest consideration. All the co-operation we can provide to that end will be given.

Mr. Herridge: I should like to ask the Prime Minister a supplementary question, as this is a matter of great importance to the district which I have the honour to represent. Has the government had any communications with representatives of the Brazilian government with respect to the emigration of this sect to Brazil?

Mr. Diefenbaker: Ever since my early days there have been prospective migrations of the Doukhobors to various parts of the world. I have not heard that Brazil has expressed the desire to have the Sons of Freedom. However, I will have the matter looked into.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Can the Prime Minister give the house an assurance that a budget will be introduced into this house before the Easter recess?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there has been no determination yet as to the date of the Easter recess.

Mr. Pearson: There has been no determination of the date of the budget either.

FLOODS

NORTHERN ONTARIO—REQUEST FOR ACTION TO REDUCE DANGER

On the orders of the day:

Mr. J. R. Garland (Nipissing): I wish to direct a question to the Minister of Public Works. I was able to notify his office this morning of my intention to ask this question. In view of the heavy snowfall and the high moisture content of the snow this year in the lake Nipissing watershed, will the minister use his good offices at once to encourage Ontario hydro and the Ontario department of lands and forests to lower their reservoirs at this point in order to ensure maximum winter lows, and thereby reduce the dangers of flooding during the period of spring freshet and avoid a recurrence of the situation of 1960?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, it is the department's practice to open all the French river dams as soon as possible at the close of the navigation season to permit the emptying of

the lake prior to the coming spring freshet. This has been done; the lake level is already below the recognized "empty" elevation of 638.0, and it would appear that we may be able to lower it still further to possibly elevation 637.5.

The water content of the snow cover on the watershed is about 10 per cent greater than normal, and all dams are still fully opened. These will remain opened as long as possible.

It is too early to make a firm forecast on the magnitude of the coming spring freshet. The general picture is, however, not too reassuring at this time. Much will depend upon the amount of snowfall still to come, the duration of the break-up and the amount of spring rainfall. While we expect a heavy run-off, the course of events of the next three weeks can alter our forecast considerably. Our reasons for expecting a heavy run-off are the higher than average water content of the snow cover and the lack of a pre-spring thaw this year.

Our officials are also in close communication with officials of Ontario hydro and of the Ontario department of lands and forests, who have storage dams on the rivers emptying into the lake, and up to date information on the condition of the watershed is known at all times.

CANADIAN BROADCASTING CORPORATION

REQUEST FOR REPEAT PERFORMANCE OF PROGRAM "INQUIRY"

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to put a question to the Minister of National Revenue in his capacity as spokesman in this house for the C.B.C. Will the minister convey to the C.B.C. the general and widespread desire throughout the country that a program called "Inquiry" which featured the Minister of Public Works be repeated?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I am sure that viewpoint has been communicated to the C.B.C. by thousands of listeners throughout the country.

PUBLIC SERVICE

HOUSE OF COMMONS—REPORT OF CIVIL SERVICE COMMISSION RESPECTING SALARIES

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Veterans Affairs in his capacity as a member of the internal economy commission. Has the minister drawn to the attention of the other members of the commission the recommendations of the civil service commission that certain employees attached to the House of Commons be given salary increases retroactive to July 1, 1961? If so, what has resulted from his drawing this matter to the attention of the commissioners?

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, I think such a question should be directed to the chairman of that committee.

Mr. Howard: May I ask a supplementary question.

Mr. Speaker: I myself think the question is out of order.

RENOUS, N.B.—PROTEST RESPECTING CHANGE IN PAY PERIODS

On the orders of the day:

Mr. G. R. McWilliam (Northumberland-Miramichi): I wish to direct a question to the Minister of Finance. Today I received a telegram from the national defence employees association of the Renous, New Brunswick, naval ammunition depot, protesting a change in the weekly pay periods to twice a month for prevailing rate employees. The telegram also states that similar classifications at Halifax and Esquimalt are remaining on the weekly pay period. Will the minister take this protest under consideration toward retaining the present pay period?

Hon. Donald M. Fleming (Minister of Finance): The hon. member was good enough to send copies of his question jointly to my colleague the Minister of National Defence and myself. The question is properly directed to my colleague.

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I should like to thank the hon. member for sending this joint notice of his question. I can assure him that the employees association is under a misunderstanding with respect to this matter. There is no intention to change the pay periods at the Renous naval ammunition depot on April 1, as suggested in the telegram received by the hon. member.

LABOUR CONDITIONS

KAPUSKASING, ONT.—WINTER WORK ON HIGH SCHOOL CONSTRUCTION

On the orders of the day:

Mr. M. W. Martin (Timmins): I should like to direct a question to the Minister of Labour. Has the minister received any letters containing allegations that contractors in Kapuskasing, Ont., are attempting to avoid

giving winter employment on contracts granted under the technical school program to promote winter work in the area? If so, has the minister anything to report on this matter?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I wish to thank the hon. member for bringing this matter to my attention. As he knows, we have approved a composite high school for Kapuskasing in the amount of $578,000, with a federal contribution of $433,000. The hon. member is also aware of the fact that the actual administration of the program remains within the hands of the provinces, and that the way in which the work is carried on is a matter for the provincial authority.

I might mention that a cut-off date of March 31, 1963, was established on all these projects in order that the work would be performed as expeditiously as possible, and certainly we are in favour of as much of the work as possible being carried on in the winter months.

VOCATIONAL TRAINING

EXTENSION OF BENEFITS TO MEMBERS OF ITALIAN COMMUNITY

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to direct a question to the Minister of Labour. Has his department or any agency of the federal government to his knowledge made representations to the Ontario government with a view to ensuring that some effective means can be found so that those members of the Italian community who were unable to take vocational training can be accommodated within the scope of the federal-provincial program?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, we are always prepared to participate in programs of this kind that upgrade the skills of our working force. Jurisdiction with regard to actually undertaking such education lies within the provinces, but I can assure the hon. member that we are prepared to co-operate in every respect.

Hon. Paul Martin (Essex East): I should like to ask a supplementary question. Because the federal government pays 75 per cent of capital costs and provides other grants, does the minister not think that in view of the good relations that prevail between this government and the government of Ontario he could persuade the government of Ontario to take affirmative action?

Mr. Starr: Mr. Speaker, we as the federal government endeavour at all times to have good relations with all provinces, particularly in this field where everybody benefits as a result, and we at all times encourage the provinces to undertake these projects.

[Mr. Martin (Timmins).]

Mr. Martin (Essex East): The Italians are good Canadian citizens.

CANADIAN NATIONAL RAILWAYS

CHATHAM, N.B.—REPORTED INTENTION TO CLOSE OFFICES

On the orders of the day:

Mr. G. R. McWilliam (Northumberland-Miramichi): Mr. Speaker, I should like to direct a question to the Minister of Transport. Will the minister make inquiries to ascertain whether Canadian National Railways are planning to close the C.N.R. freight office and C.N. express office at Chatham, New Brunswick, as reported in the Chatham *Commercial-World*; and will he make representations toward offsetting any such proposed closing?

Hon. Leon Balcer (Minister of Transport): I will be pleased to do so.

AGRICULTURE

MANITOBA—REPORTED DANGER OF FEED SHORTAGE

On the orders of the day:

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask the Acting Minister of Agriculture whether he is aware of the statement yesterday by the minister of agriculture of Manitoba to the effect that a dangerous shortage of feed will develop before next month because of last year's drought, and is the minister in a position to indicate what negotiations are taking place with the federal government to eliminate this situation by assistance with regard to fodder and seed? Can the minister indicate to the house what steps have been taken in this regard to assist in the seed problem of western Canada?

Hon. D. S. Harkness (Acting Minister of Agriculture): Mr. Speaker, as acting minister this has not yet been brought to my attention, and I would have to inquire into the matter before I would be in a position to give an answer.

TRADE

URANIUM—INQUIRY AS TO NEGOTIATIONS WITH UNITED KINGDOM

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Minister of Trade and Commerce when he expects the uranium contract with the United Kingdom to be signed?

Hon. George H. Hees (Minister of Trade and Commerce): Just as soon as possible, Mr. Speaker.

Mr. Pickersgill: How soon is possible?

EXTERNAL AFFAIRS

VOICE OF WOMEN—GOVERNMENT REACTION TO PRESENTATION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to direct another question to the Prime Minister. In view of the visit to parliament today of an important delegation of the Voice of Women, and in view of their urgent plea to the Prime Minister to declare Canada's refusal to join the nuclear club and to intercede with President Kennedy to forgo atmospheric nuclear tests, would the Prime Minister care to report to the house the gist of his answer to this most commendable plea?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I met with this very large and representative delegation for a short time and the matters in question were not dealt with, other than being read by Madame Casgrain as part of their presentation. The Secretary of State for External Affairs remained with the delegation.

NATIONAL DEFENCE

NATO—USE OF NUCLEAR WARHEADS

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has the minister yet learned officially of the effort of the United States to equip its NATO allies with a new atomic missile and, if so, can the minister say what the attitude of the Canadian government will be toward this proposal?

Hon. D. S. Harkness (Minister of National Defence): No, Mr. Speaker, I have not had any official word on that matter.

INQUIRY FOR RETURN

HIGHWAY CONSTRUCTION, PRINCE RUPERT-JASPER

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to ask the Minister of Public Works or the Secretary of State a question relating to an order of the house made a month ago today with respect to a question of mine. The question sought information about the proposed plan of the province of British Columbia regarding financial participation in a second trans-Canada highway. I would ask whichever hon. gentleman deals with these matters to make inquiries to see what progress is being made toward satisfying the order.

(Translation):

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I shall make inquiries and give an answer to the hon. member as soon as possible.

(Text):

FARM IMPROVEMENT LOANS ACT

AMENDMENT TO GUARANTEE LOANS, ESTABLISH LIMITS, ETC.

Hon. Donald M. Fleming (Minister of Finance) moved the second reading of Bill No. C-73, to amend the Farm Improvement Loans Act.

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

On clause 1.

Mr. Benidickson: Mr. Chairman, during the discussion at the resolution stage there were three questions raised to which the minister did not make a particular reply. The first question was whether he had considered raising the maximum loan available to an individual farmer to $10,000. The second was with respect to what consideration he has given to utilizing the tremendous resources of credit unions, because this legislation is restricted exclusively to the banks. Third, he was asked whether he is still convinced that $400 million up to the summer of 1965 is an adequate provision by parliament, having regard to the growth in lending that we know has taken place under this legislation.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member has asked three questions. I dealt with the first two at the resolution stage yesterday, and my remarks are to be found at page 1543 of *Hansard*. With regard to the third question, I may say that $400 million appears to be adequate to meet the needs that can be foreseen at this time over the three year period in question. Of course if the volume of lending should increase materially and that aggregate should be found insufficient, presumably it would be in the third year and the matter could be brought back to parliament in the light of the situation then prevailing.

Mr. Benidickson: I know that the minister gave the house information as to the total amount of lending in 1961. I was not sure of that when I spoke prior to his statement. In advance of the printing of the report for

the 1961 calendar year, has the minister information as to the average loan made under the act in 1961?

Mr. Fleming (Eglinton): I thought I gave information on that subject last evening, Mr. Chairman. I pointed out that the total of the loans for the 12 month period in 1961 amounted to $108 million, in round figures.

Mr. Benidickson: And $101 million the year before?

Mr. Fleming (Eglinton): Well, it was $102 million in round figures for the calendar year 1960. The average size of the loans in 1961 was $1,531, and the average in 1960, $1,497.

Mr. Howard: There is one thing I should like to have cleared up. While this thought has not been communicated to me by people who have borrowed under this act, the same thought has been asked of me by fishermen with respect to loans under the Fisheries Improvement Loans Act. The principle is the same. Perhaps if I ask the question of the minister now, the answer will be equally applicable to both acts.

During the resolution stage, the minister indicated that this was the fifth or sixth extension of this particular act and that the extension contemplated now is for a three year period from July 1 of this year to the end of June, 1965. I have been unable to answer the question asked of me, except to say that past experience has shown that extensions are put into effect as the expiry date approaches. However, this does leave some doubt in the minds of individuals who are contemplating borrowing money under this legislation, and I am sure it may leave some doubt in the minds of lenders as to their position following the expiration of this piece of legislation. I realize that this procedure permits a review of the legislation every two or three years instead of dealing with the matter during consideration of the estimates.

I wonder whether or not any thought has been given, and undoubtedly it has, to placing legislation of this sort on a more permanent basis. I realize that once you put things of this nature into effect, especially when the legislation is renewed five or six times before the expiry date, you establish a practice and thus put the act on some kind of permanent basis. I just want to pose this question: Has consideration been given to a more equitable way of dealing with legislation of this nature, that is giving it a more permanent basis, rather than having the possibility of its cancellation become a reality every two or three years?

Mr. Fleming (Eglinton): I think hon. members will appreciate at once that parliament can make this legislation permanent if it chooses to do so. This would, however, immediately raise the question of the permissible aggregate of the guarantees. It has accorded thus far with the views of parliament that legislation of this kind should be given a three year life. This method assures parliamentary control and discussion of the legislation every three years, and thus the establishment of an appropriate ceiling on loans being made for the ensuing three year period.

Now, if we are to change the whole scheme of the act and withdraw the expiry date of the legislation, that would immediately present a problem as to what should be established as the aggregate or ceiling in perpetuity. I think hon. members will appreciate that this would not accord with the established conception of parliamentary control.

In so far as the position of borrowers or lenders under this legislation is concerned, the expiry date has no effect whatever on the validity of obligations incurred under the terms of the act before the expiry date. Even if the legislation expired at the next expiry date, it would have no bearing whatever upon the valdidity of obligations incurred or undertaken under the provisions of the act prior to that date. There is, therefore, no difficulty whatever about borrowers or lenders entering into their transactions under the terms of the legislation in that regard. The three year life does not deter any borrower or any lender under the act for that reason.

Mr. Howard: I appreciate the latter part of the minister's remarks to the effect that, even if the act expired, the loans would continue in effect and the guarantees would continue in effect, although the force of the legislation would be gone in so far as new loans were concerned. It seems to me that there was one year in which the Fisheries Improvement Loans Act almost expired before an extension was granted. When the matter reaches this stage, I know fishermen have expressed the view to me that they feel they rush into doing contemplated work in order to participate in these loans and make sure they are able to borrow money before the legislation expires. If they had some degree of assurance the legislation was going to be extended, then they could plan their borrowings more easily so that they would fit into the economics of the industry.

These are views I have had expressed to me. As I said, the only answer I could make, and perhaps I will have to continue to make it, is that so long as the present Minister of Finance is minister he is too nice a fellow to cancel this legislation out. You can rest assured from past experience he will introduce a measure before parliament to secure an extension. However, I have to qualify this by

saying that I have heard some doubts expressed as to whether or not he will be minister when this legislation is under review in 1965, regardless of the fortunes of his party. I doubt very much whether he is going to be in that position in 1965 when this legislation is reviewed.

Mr. Benidickson: I want to say, Mr. Chairman, that there has not been too much growth indicated by the minister from 1960 to 1961. We have official information with respect only to the lending in 1960 to the effect that nearly $102 million was lent under this act. We advanced in 1961, and the amount was $108 million. Now, this act contains a provision that the borrower will not be charged more than 5 per cent interest. We have other legislation under which there are government guaranteed loans to other types of borrowers in Canada such as small businessmen, house owners and others, which does not contain a ceiling on the interest rate.

I want to ask the minister whether during the past year, 1961, even though the volume increased from $102 million to $108 million, he received objections from the banks indicating that credit was denied because the interest rate was not adequate, even though this legislation involves government guarantees.

Mr. Fleming (Eglinton): I do not now recall whether I received any specific representations on that subject during the past year, which is the period mentioned in the question put by the hon. member. However, I know I have had such representations previously.

Mr. Regier: I am sure all of us are happy to welcome the growing use that Canadian agriculture is making of the help available under the terms of the bill which it is now proposed to amend. I also notice there is a greater use being made by farmers of the institution that used to be known as the Canadian farm loan board. Against that I witness the very desperate need of agriculture for capital assistance, and I would point out that when anyone wants to sell a program that he believes is good, then he undertakes a selling program on its behalf.

Despite the increasing degree to which agriculture is taking advantage of the good will shown by the people of Canada towards agriculture, I believe the need far outstrips the amount of aid that is being granted. At this stage I believe it would be useful to place on the record a number of statistics prepared by the Department of Agriculture, and which are contained in a pamphlet designed to sell the ARDA program. These statistics are most alarming and although we are happy that the government has undertaken the ARDA program we realize its implementation requires the active co-operation of the provincial governments concerned.

I would like to see much greater advantage being taken of the Farm Improvement Loans Act and the facilities of the Canadian farm loan board by those engaged in agriculture, but I note that the Department of Agriculture advises us that in 1956 there were 21 per cent of Canadian farmers who had a gross annual production of less than $1,200. In a number of provinces the problem is even more severe. In Newfoundland 78 per cent of the farmers had a gross income of less than $1,200 per year.

The Deputy Chairman: Order. I am sorry to interrupt the hon. member but I am having difficulty relating these statistics to clause 1 of the bill that is before the committee, and I would ask him to assist me in this regard at his earliest convenience.

Mr. Regier: I am attempting to outline the urgent need for massive financial capital assistance to Canadian agriculture. I welcome the amendment now before us but I am attempting to ask what efforts are being made by the government to make Canadian agriculture aware of the opportunities available.

As I indicated in my opening remarks a program can be idealistic and wonderful but unless one undertakes a selling program it may fail in effectiveness. Here we have a province in which 78 per cent of the farmers produce less than $1,200 gross income per year and I would like to ask the minister what efforts have been made, publicitywise or otherwise, to inform the farmers in Newfoundland of the facilities or possibilities existing under the terms of this legislation and other government sponsored measures to supply capital aid for the needs of Canadian agriculture.

If we believe in the continuation of the family farm as a unit, then we must recognize that the problem is urgent in view of the growth of virtual disintegration in the field of agriculture. The capital needs of Canadian agriculture stagger the imagination. Agriculture in the Atlantic provinces alone could absorb hundreds of millions of dollars of capital in order to develop efficient and economical family farms. What effort has the government made to sell its facilities and its offer of help to agriculture?

Mr. Fleming (Eglinton): This legislation has now been on the statute books for almost 17 years and I am sure that throughout the agricultural section of the population these facilities are very well known. Along with its other services to the agricultural population it has been the task of the Department of Agriculture to make these facilities known.

and I have no doubt at all that the facilities of the Farm Improvement Loans Act are well and widely known to the farmers of Canada.

The hon. member asked me a question specifically with regard to Newfoundland. He is aware that the proportion of the population of Newfoundland engaged specifically in agriculture is not as large as in some of the other provinces, but the same effort has been made in that province to acquaint those who might be eligible for loans, and who wish to make application for loans, of the facilities available to farmers under this legislation.

Mr. Regier: I wonder if the minister could give us a report on exactly what are the measures undertaken by the government to make the farmers aware of them?

Mr. Fleming (Eglinton): I think that question would be more appropriately directed to my colleague, the Minister of Agriculture, when his estimates are before the house, but I am sure the hon. member must be aware of the pamphlets issued and distributed on that subject. As I recall it, the banks themselves distribute a number of these pamphlets in rural areas served by bank branches. Then, of course, there are advertisements that are published in agricultural journals across the country. No effort has been spared to make these facilities known to those for whose benefit they are intended.

Mr. Smallwood: As usual we have heard the hon. member for Burnaby-Coquitlam speaking about something he knows nothing about. If he would look at the statistics he might not get up and ask the questions which he is putting. The Farm Improvement Loans Act has been in effect for a great number of years and is well used by the farmers. They can now get loans up to a total of $7,500, and if the hon. member cares to look at the figures supplied by the Farm Credit Corporation, readily obtainable by all hon. members in the house, he will find that in the first 25 months after it was brought into effect the farmers of Canada borrowed $131 million, as compared to $121 million borrowed by them in 28 years under the previous government from the Canadian farm loan board.

Mr. Benidickson: But this is a $1,100 million program based on legislation introduced by a Liberal government.

Mr. Smallwood: The figures are before us, if hon. members want to look at them; and I must repeat them for the benefit of my friends of the Liberal party so that they may know what is going on. We lent $131 million in 25 months under the Farm Credit Corporation compared with $121 million in 28 years—

Mr. Pickersgill: On a point of order. I think it is a very rare occasion when I rise on a point of order while a private member is speaking but I do think the hon. gentleman is not even talking about the bill which is before us, much less about a clause of that bill.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Chown): When shall the bill be read the third time?

Mr. Pickersgill: By leave, now.

Mr. Fleming (Eglinton) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

FISHERIES IMPROVEMENT LOANS ACT

MEASURE TO EXTEND PERIOD OF GUARANTEE ON LOANS

Hon. Donald M. Fleming (Minister of Finance) moved the second reading of Bill No. C-74, to amend the Fisheries Improvement Loans Act.

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

On clause 1—*Time within which liability may arise.*

Mr. Howard: I should like to reiterate what I said on a previous occasion and ask the minister, once again, to consider altering another section of the act, perhaps even at this time, by unanimous consent, or by a subsequent amendment later this session.

The section to which I refer is the section of the act which we discussed last evening, and I am asking the minister to consider an amendment raising the limit on permitted loans from the present statutory ceiling of $4,000 to at least double that amount. The figure of $8,000 has been suggested by the united fishermen and allied workers' union to the minister and others, and I assume that would be a reasonable ceiling to have. In the bill the house has just dealt with, the ceiling there has been increased from $3,000 to $7,500, I believe, and the same principle applies to the act which the bill now before us seeks to amend.

Despite what the minister said last night, fishermen have told me they do not make plans to enter extensively upon repairs, acquisitions or alterations by borrowing under the terms of this act because they know the present limit is set at $4,000. Even though

the minister told us last night that there is no pressure on the present ceiling—and I do not doubt for one moment that this is what the lenders have said—I submit that if this is the position it is primarily because fishermen do not go to the banks asking for, say, $6,000 only to discover at that point that the permissible loan cannot exceed $4,000. Of course, they generally know this beforehand, and in connection with this act they do not plan on the basis of borrowing more than $4,000. Consequently we find that the average amount lent is considerably below $4,000. I think hon. members will find that a considerable proportion of the borrowings are in respect of such things as radio telephones or depth sounding equipment, or for repairs to engines, or new engines—something of that sort, all of which would cost less than $4,000. It is when you get into the field of buying a boat or buying a share in a fishing boat that you exceed the $4,000 limit. As I said last night, $4,000 would not even buy a gill-netter, and a gill-netter is a one-man boat used for fishing salmon on the British Columbia coast. That is, generally, the lowest cost vessel which a man can buy, and a good gill-netter costs in the neighbourhood of $8,000 anyway. When it comes to trollers and seiners we find that the cost is far in excess of $4,000. I do not presume to apply my remarks to the Atlantic provinces, because different circumstances prevail there—there are different methods of fishing, different species of fish and the like—but as far as the west coast is concerned I am sure the minister will find that an amendment of the kind I have suggested will help the fishermen to take advantage of the principle of this act and enable them to borrow sufficient money to enhance their position in the industry.

We placed on record last night correspondence and resolutions in this regard. We know the minister is aware of these things. I think it would not be good enough to wait until 1965, when this legislation might be further extended, before getting around to considering whether or not the limit on the loan should be raised. I feel sure that if the minister were desirous of taking action along the lines I have suggested we could hold up this legislation and find some way of putting the suggested change into practice. The rules are intricate and I do not know whether raising the limit from $4,000 to $8,000 would constitute another money bill and thus require a resolution stage, or whether, now that we are in committee following a resolution stage, we could take the action I suggest without further delay. I have some doubts about that.

Perhaps the minister could at least give us an indication that this question will be given serious study. In 1959 he said the question would be given serious study, that it would be discussed with those concerned. Last night he said nobody had told him about it; nobody had brought this matter to his attention since the last time it was discussed. We showed that the minister was not accurate in this regard. However, if the hon. gentleman can indicate that this is a matter about which he is really concerned, if he would consult with his colleague the Minister of Fisheries, who knows at first hand the effects of this legislation, I am sure the committee would be satisfied. The fishermen concerned would certainly be satisfied to obtain from the minister some indication that this matter was being seriously studied. The Minister of Northern Affairs and National Resources tells us he has files labelled "For active consideration". Perhaps the Minister of Finance could open a couple of files under the same heading and give the fishermen an opportunity of participating fully in the benefits of this act, as the original legislation of 1955 intended them to. This would go a long way toward making them feel happier about this measure. I do not say they are unhappy about the provisions which exist at the moment or about the extension which is proposed here. I speak of those who are able to borrow under the terms of this act. However, those who are not able to borrow—and they include the majority of fishermen—are not happy about the fact that they are not able to prosecute the fishery to the fullest possible extent because of the limitation placed on the loans which may be made to them.

I therefore appeal again to the minister to indicate that this matter is being given sympathetic or active consideration and that he hopes to introduce legislation on a subsequent occasion, perhaps next session or even this session, to remedy the situation. I urge the minister to ask unanimous consent to amend the act again, which would be most helpful to the people concerned.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member spoke in the same vane on the subject at the resolution stage yesterday. I commented on the matter in my reply at that stage. My remarks will be found at pages 1551-52 of *Hansard* of yesterday's date. I do not think I can usefully add anything to what I said yesterday.

Mr. Howard: Yesterday as reported at page 1552 I reminded the minister that he received a resolution from the united fishermen and allied workers' union requesting an increase

in the ceiling from $4,000 to $8,000. The minister rose and made the following comment:

If the hon. member would permit me to interrupt, I was speaking of the period since this subject was last discussed, the time he was speaking of when he spoke earlier, since 1959.

I charitably gave the minister the benefit of the doubt and went on to deal with the matter. I was under the impression last night and my impression is strengthened today that the minister indicates he has received no representations since the act was last amended. That is not the case because the minister has had representations.

Mr. Fleming (Eglinton): I am not aware of having received representations on the subject since 1959. The matter was discussed in 1959 when the legislation was before us. The hon. member reminded me that shortly after the amendment of 1959 became effective there had been a letter sent to me on the subject. But that is nearly three years ago.

What I was endeavouring to convey was that in the succeeding period, in the last two and a half years, let us say, I am not aware of having received representations on the subject from fishermen's organizations or indeed anyone else. I referred to the fact that so far as the banks were concerned, there had been no indication given to me by the banks that there had been any pressure on the existing ceiling.

It is quite true that the existing ceiling has been in effect for some six and a half years since the legislation was introduced in 1955. It is also true that the ceiling has not been increased. It was not increased when the ceiling under the Farm Improvement Loans Act was increased; but I gave the reasons why, according to my understanding, whether under our predecessors in office or under the present government, no steps had been taken to ask parliament to increase the ceiling.

The hon. member has argued very earnestly on this subject. I have listened attentively to his arguments. I simply pointed to what I said on the subject last night. I do not think there is anything I can usefully add this afternoon to what I said on the subject yesterday.

Mr. Howard: I take it what the minister really meant last night was that he received no representations since the debate in the house on March 10, 1959 when the bill was last amended.

Mr. Fleming (Eglinton): No.

Mr. Howard: Let me see if I have it clear. With the exception of the resolution I mentioned last night the minister has received no representations from organizations since that time?

[Mr. Howard.]

Mr. Fleming (Eglinton): I said, Mr. Speaker, and my words are to be found at page 1552, I am not aware of having received any representations on this subject since 1959.

Mr. Howard: The minister made some comment about the interest of the banks in this regard. I may be operating under a misapprehension but I thought the legislation was to benefit fishermen and not the banks.

Mr. Fleming (Eglinton): That is quite true. The banks do not regard this as legislation which benefits them. This legislation was enacted by parliament for the purpose of assisting fishermen. That is its purpose and that is the way it has been administered, and will be in the future as long as I have anything to do with it.

Mr. Howard: One way of assisting the fishermen would be by increasing the ceiling.

Mr. Benidickson: Mr. Chairman, the Minister of Finance is piloting this legislation through the house. It involves solely an extension of the time in which parliament gives authority for a maximum amount of guarantee to the commercial banks.

The minister comes from Ontario. I noted that yesterday as reported at page 1550 of *Hansard* he said that on a geographical basis only one loan had been made under this legislation through the commercial banks to a fisherman in Ontario.

Mr. Fleming (Eglinton): In the last nine months.

Mr. Benidickson: Yes, in a nine month period, not a full year, that is true. The minister is very knowledgeable about Ontario and I give him credit for that. He knows that in that province we have the great lakes and the great water system extending from Montreal to Toronto. Surely people engaged in the fisheries industry all through that territory in this large province would have occasion to take advantage of this legislation. I am rather astonished to find that only one application has been made in Ontario to take advantage of this assistance which parliament has provided.

I believe that unlike the assistance given to farmers under the Farm Improvement Loans Act which we discussed very recently there is no fixed ceiling as a rate of interest under the Fisheries Improvement Loans Act.

On the Lake of the Woods, lake Winnipeg, lake Manitoba, lake Dauphin and other places we have a large number of families that depend on fishing in inland waters for a livelihood. Why do the statistics not indicate that more people in these territories take advantage of this legislation which was introduced by the former government and which the

minister is now amending? If it does not cover the fishing industry in inland waters, why is provision not made for this in the amendments presented to us today?

Mr. Fleming (Eglinton): Mr. Chairman, there is nothing in the legislation that denies these benefits to fishermen on fresh water of the great lakes. I share the hon. member's surprise that so little advantage has been taken of the lending facilities of this act by fishermen in inland waters. But there is the fact. The facilities are there.

There are many bank branches in Ontario. I have given the hon. member the record. He will be in as good a position as I am to draw conclusions from it. It is a matter, I think, of some surprise that more advantage has not been taken of the facilities of this act by fishermen in Ontario. Indeed, one might say the same thing with respect to the fishermen in some other provinces as well.

On the other point mentioned by the hon. member may I draw his attention to the fact that section 3, subsection 1(f) of the act provides that the rate of interest charged by the lender on a loan under this act shall not exceed 5 per cent per annum.

Mr. Benidickson: I am glad to hear from the minister that there is a fixed rate. My recollection was incorrect in that respect. We discussed this in connection with lending through the commercial banks to small businessmen the other evening. The minister indicated that there was a general pattern of a rate of 5½ per cent although it was not fixed by statute, is that correct?

Mr. Fleming (Eglinton): I do not think I said there was a general pattern. What I said was that under the other act the rate is defined by regulation. That act provides for the fixing of the rate by regulation, and the rate that has been established and has been in effect for the one year during which the legislation has been in effect was 5½ per cent.

Mr. Benidickson: The minister and I reside in Ontario. The minister knows there are a great many people in Ontario who earn their livelihood from commercial fishing. The minister has held that portfolio since 1957. What correspondence has he had with commercial fishermen who operate on inland waters?

Mr. Fleming (Eglinton): Does the hon. member mean with respect to this legislation?

Mr. Benidickson: Yes. Can he tell me why only one applicant obtained a loan from the commercial bank in the province which he and I represent in this House of Commons? I am not saying that this perhaps was not the situation before he took office. However, we are interested in trying to improve things. Why is it that only one loan was made, if this legislation is for commercial fishermen? I know that today they need capital to advance themselves in the competitive life in which they are engaged. Why is it that in the province of Ontario only one loan was made?

Ontario is an inland province, admittedly. However, we have tremendous waterways and tremendous resources in fishing. I think of the Indian population in my own area. I should like to see that there was a possibility that they would be assisted. From my own observation I can say that they have been advancing markedly in the last few years. I think of the Indians around the tremendous waterways of lac Seul and the Red lake area. The other day I had something to do with trying to make available to 30 Indian families fishing rights on Lake of the Woods. They did not ask for very much. They assured me that if certain things developed with regard to licences and financing, perhaps not under this act but through the department in other directions, 30 families would be satisfied with an income from fishing on Shoal lake which you know very well, Mr. Chairman. They did not ask for very much. They asked for a maximum income of perhaps $130 a month. This impressed me very greatly. However, I am concerned that the commercial banks have apparently not been utilized very much in Ontario with respect to this legislation.

Clause agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Chown): When shall the bill be read a third time? By leave, now?

Mr. Pickersgill: By leave, now.

Mr. Fleming (Eglinton) moved the third reading of the bill.

Mr. J. W. Pickersgill (Bonavista-Twillingate): Just before the bill passes, Mr. Speaker, I should like to reiterate in one sentence the hope that before the dissolution of this parliament the government will see fit to bring in for fishermen another measure parallel to the Farm Credit Corporation legislation.

Motion agreed to and bill read the third time and passed.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF BRANCH LINE BETWEEN MATANE AND STE. ANNE DES MONTS, QUE.

Hon. Leon Balcer (Minister of Transport) moved that the house go into committee to consider Bill No. C-67, to authorize the construction and operation on behalf of Her

Majesty of a line of railway in the province of Quebec between Matane and St. Anne des Monts.

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

On clause 1—*Construction and operation of railway line.*

Mr. Balcer: Mr. Chairman, I do not intend to repeat what I said on second reading of this bill or what I said while the bill was before the standing committee on railways, canals and telegraph lines. All I wish to say is that this bill was referred to the standing committee on railways, canals and telegraph lines before which witnesses were called. We had there Mr. Scott, the assistant deputy minister of transport and Messrs. Dingle and Johnston of the Canadian National Railways. Hon. members had the opportunity to ask questions. I think that all members of the committee had a very good idea of what is involved in this bill the purpose of which is to authorize the construction and operation of a branch line between Matane and Ste. Anne des Monts in the province of Quebec. This railway branch line is going to be built on behalf of Her Majesty by the Canadian National Railways. I recommend the adoption of the bill by the committee.

(Translation):

Mr. Bourget: I do not think it is necessary to repeat what the hon. member for Laurier (Mr. Chevrier) said at the resolution stage preceding this bill, since he stated that we are in favour of this project.

Now, I find that on February 13, at the resolution stage, the Minister of Transport (Mr. Balcer) promised to table the draft contract between the government and the C.N.R. I tried unsuccessfully to obtain that document. Could the minister tell us whether he tabled it or whether he intends to do so?

Mr. Balcer: I have this document here, Mr. Chairman. With the consent of the house, I would be pleased to table it.

Mr. Bourget: Mr. Chairman, the document is being tabled a little late, because we are at the committee stage of the bill, that is the stage preceding the third reading. Anyhow, I wish to thank the minister.

There is another question I should like to ask him. In reply to questions put to him by the hon. member for Laurier and speaking of the Canada and Gulf Terminal railway, the minister stated the following on February 13:

—the railroad in question obtained a federal grant. At that time, and as a condition of that grant, the government had required the railroad to guarantee a right of way to any other railroad which would claim one—

This is the question I want to ask the minister. Was a written agreement made or an order in council issued at that time, and, if so, could the minister tell us the terms of such an agreement or order in council?

Mr. Balcer: Mr. Chairman, there was an agreement signed by the railway company and the federal government. Unfortunately, I do not have this document with me, but I can inform the committee that, at that time, the government granted a subsidy to the company provided other railroads be given a right of way.

Of course the terms of this right of way and the rates to be established were not specified then. These rates shall be established by agreement between the Canada and Gulf Terminal Company and the Canadian National Railways. Should no agreement be reached, the matter would be referred to the board of transport commissioners, which would set the rates.

Mr. Bourget: The minister has just said that there was an agreement signed at that time between the federal government and the Canada and Gulf Terminal Railway. In that case, could he table that document so that we can have a look at it? Could the minister also tell us whether discussions took place with the Canada and Gulf Terminal Railway concerning the price it might ask for allowing another railroad to use the right of way? Could the minister give us that information?

Mr. Balcer: Mr. Chairman, a meeting was held between the chairman of the Canadian National Railways, the chairman of the Canada and Gulf Terminal Railway and other officers of both companies. On that occasion, a complete agreement could not be reached, since it was a preliminary meeting. Both parties have agreed to meet again within a few weeks, after this bill is passed.

Mr. Bourget: Would the minister tell us also whether that right of way is included in the $14 million?

Mr. Balcer: No, it is not, Mr. Chairman. The cost of $14 million covers only the building of the railroad. Now, as for the rate to be charged by the Canada and Gulf Terminal Company, it will be established by agreement between both railways or by an order of the board of transport commissioners.

Mr. Denis: Mr. Chairman, could the minister tell us whether the erection of fences is also

included in the cost of building that railroad? I understand that the building of another railroad was discussed in the other place and that the cost of fencing had been left out of the bill.

Mr. Balcer: Well, since there is no exception in this case concerning the building of fences along the railroad, the general rule applies and the railway company has to build the fences.

Mr. Bourget: Mr. Chairman, will the federal government submit the application to the board of transport commissioners or will it be made by the Canadian National Railway Company acting, in this case, as agent for the government?

Furthermore, could the minister tell us under what section of the Railway Act the application can be made?

Mr. Balcer: The application will definitely be made by the Canadian National Railways. However, I could not say under what section.

Does the hon. member mean under this bill?

Mr. Bourget: Yes, Mr. Chairman.

Mr. Balcer: In that case, it would be under section 1 of this bill. I have in hand the English version of the bill and I will read section 1:

(Text):

—the governor in council may provide for the appointment of Canadian National Railway company ... as agent of Her Majesty for the construction and completion ... and ... for the company to continue to act as agent of Her Majesty in the maintenance, management and operation of the railway line.

(Translation):

I think the question asked by my hon. friend is about the management and operation of the railway line and, consequently, this section provides that it is the responsibility of the Canadian National Railway, in this case, to apply to the board of transport commissioners to have them establish the rate that will be paid to the Canada and Gulf Terminal Company.

Mr. Bourget: Mr. Chairman, that does not answer the question I asked the minister. I asked him under what section of the Railway Act, that application could be made, and if it had to be made by the government or by its agent under the circumstances. As I am not a lawyer, I would ask the Minister of Transport to clear that point.

Mr. Balcer: Mr. Chairman, there is certainly a general section in the Railway Act which allows the Canadian National Railway Company to appear before the board of transport commissioners to make such an application. Now, that is a general section, and I think I have answered my hon. friend's question in reading an extract from section 1 of this bill.

If the Canadian National Railway Company is to act as agent of the government with regard to maintenance, management and operation of this railway line, there is no doubt that it has certain rights which go with the role it is called upon to play, and which is defined under section 1 of this bill.

Mr. Bourget: Mr. Chairman, all I wished to know was the procedure that was to be followed and the general section of the Railway Act on which the application is based, because I understand the national railway company is acting only as an agent. That is why I put that question to the minister.

(Text):

Mr. Fisher: Mr. Chairman, in 1962 the railway industry of North America is at a time of complete reappraisal. The Americans are the latest into the field with a presidential report which goes into the question of operating costs, particularly of railway labour. But there are ramifications of that report which suggest that one of the main troubles and difficulties of United States railways is the question of consolidation of lines.

Recently in Canada we have had the long, long hearings of the royal commission on transportation and after a considerable time a two volume report which in essence, it seems to me, has a message for us that we should be vigilant and very deliberate in our scrutiny of any extensions of railway service in this country, particularly the building of new lines. I think hon. members who have read volume 2 of the report of the royal commission—I know that members from the west will be conscious of this because there has been considerable reaction on the prairies —will agree that the main advice of the royal commission is that the railways, particularly in western Canada, be allowed to get out of the operation of unremunerative branch lines as much and as quickly as possible. The theme of the report of the royal commission on transportation is surely that we must be extremely critical of any extension of lines unless there is a tremendous, almost bona fide case of a prosperous service, and I mean prosperous not only to the region concerned but to the railway.

In recent months a two volume history of the Canadian National Railways has been

issued which in some ways makes interesting reading to go along with the two volume report of the royal commission on transportation. This two volume history by Colonel Stevens sets out a long and almost terrifying record of mismanagement on the part of the railway builders of this country. You are left with the impression, after reading the two volumes, that generations to come as well as this generation will be paying for the tremendous over optimism connected with the construction of railway lines. Certainly, it makes interesting reading to put Colonel Stevens' report in juxtaposition to the report of the royal commission on transportation which underlines again and again the need to make the railways more competitive. One of the ways to do this is to get the railways out of a situation in which they cannot possibly get a reasonable return on their investment.

I give this preamble, Mr. Chairman, because some of the evidence that was revealed before the standing committee on railways, canals and telegraph lines would seem to indicate that this proposed line has a rather shaky economic basis. In order to make the point, Mr. Chairman, I want to touch on some of the evidence that was revealed. I think the first point one should acknowledge in relation to this is that the conception the minister and the government are bringing forward in connection with the extension of this line along the south shore of the St. Lawrence is a fine one in that it is conceived as being a means of improving a section of the country that has been passed by in the general economic growth. In this sense, it is impossible to criticize the intention of the bill. We support that intention and anything that will help the more backward parts of the country, in an economic sense.

When we come to look at the arrangement that has been made, the expenditures that are going to be made, and the facilities that now exist, very grave doubts about the whole project come to our mind. I think the first point that has to be very clear is that the Canadian National Railways would have no part of this enterprise on its own. In other words, the Canadian National Railways would not take this project and make it their own. I am sure this proposal must have been made to them at some time or other and they turned it down. Therefore, the government had to come up with the proposal that they would provide the money for the construction of the line, they would look after the debt side of it and the Canadian National would merely be the builders and operators. There would be a separate fiscal division. This is the first thing we need to know about this project. It seems to me that Canadian National, in its considered judgment, turned this line down on an economic basis. I believe that is a fair statement, and I do not think the minister would disagree with it.

The next point it seems to me that we need to look at is the facilities that already exist in this particular region. As has been noted, this region is not like the area that is going to be served by the Pine Point railway or some of the other railways that are being built, such as the Chibougamau road to the north. This railway will be an extension into an area that has been settled for a long time and into which there are highways. It is a general area in which there is some rail traffic on the south, but this is not so from Matane to Ste. Anne des Monts. It is an area with a traffic-carrying complex built into it in the form of roads, water carrier services and other associated means.

It has been the experience of most of us who have looked at the development of railways, that railways cannot compete in so far as passenger traffic and high revenue freight traffic are concerned where there are roads established and where the haul is relatively short. This is one of the reasons, as most members know, that the Canadian Pacific and Canadian National have gone in so heavily for trucking. It is because they cannot by rail alone really cover this very remunerative field of high revenue traffic. In this particular region, we have these services already provided through the truckers and through the highways that now exist. The main reason railways are built today, and the minister brought this point up in committee as did his advisor, Mr. Scott, is that railways are carriers of bulk tonnage at very low cost. This is the main reason railway lines are built today. Almost invariably they are tied in with the sort of contract mentioned in committee, Mr. Chairman. We had problems in our own area connected with bulk contracts for the shipment of iron ore.

I was in Montreal this morning, Mr. Chairman, to see how the negotiations were going between the iron mines and Canadian National Railways in our own part of the country. The Canadian National is insistent that it will not give any easement in the rate that they are now putting into effect for this iron ore unless they have some guarantee of tonnage. This is something they regret very much not getting years ago when they originally entered into the provision of ore dock facilities and other things for the ore mines at Atikokan. This point needs to be underlined.

The minister says the railway is ideally designed for bulk traffic of the low revenue kind, at least that low revenue traffic is involved. Here is a situation where several million tons are being carried and the railway is trying to nail down the mine to even higher incentive figures.

I refer hon. members to the evidence which came out in committee. The estimated tonnage given to us by Mr. Scott, the economic adviser to the minister, was 75,000 tons of outbound traffic and 65,000 tons of inbound traffic. The revenue on inbound traffic would be $2 a ton and for outbound traffic $1.50 a ton, which gives approximately $240,000 of estimated operating revenue. This $240,000, Mr. Chairman, is set against, as near as we can judge it, a capital expenditure of $14 million.

Now, this is almost fantastic when we realize the operating revenue in sight. Of course, this is only the first year, and according to the minister the traffic future would be much brighter after that. What evidence did the minister give us in regard to the expansion of traffic? He told us that there would be a possibility of more pulpwood being shipped. I can paraphrase the evidence given by the adviser to the minister, and I do not think it is unfair, that the railway line would mean more suitable cutting in the area. He pointed out that there would be more even depletion rather than so much emphasis on the western end, and I suppose he was referring to the western end of Gaspe. What a purpose for a railway. Any information one can gather about the pulp and paper industry, Mr. Chairman, has led me to believe that it is generally agreed that shipping by log boom tends to be cheaper than by any other means, provided it does not cost too much to provide the waterways and flumes. In this particular case with the location of the mills across on the north shore at Baie Comeau, and at Gaspesia Paper in southern Gaspe, and the mills in Quebec city and Three Rivers, because of distance there is not much chance of booming pulpwood from the Gaspe to these mills. But there can be water movement by barge. It is cheaper to move pulp by barge or some kind of ship movement during the very long summer season in that area, rather than by truck or rail.

At the present time out of Matane into Quebec city and the Three Rivers area there is only a movement of 50,000 cords, and I wonder if hon. members realize how small 50,000 cords are. In northwestern Ontario, which is not much more populated than Gaspe, we have a cut of 2.5 million cords and that cut gets to the mills in various ways. The point there is that the cut through Matane is only 50,000 cords at the present time.

We might favour the proposal more if the minister could come and tell us that his officials of the C.N.R. had been to any of the pulp and paper companies and they had given any indication of the volume that was going to be secured of pulpwood haul on the railway. There is no evidence of that whatsoever and even Mr. Dingle indicated that the C.N.R. had not bothered to talk to anybody about this as yet.

The minister's economic advisors came up with a figure of 25,000 tons, possibly rising to 35,000 tons, of wood chips to be transported on the railway; but I would point out to hon. members what a pittance this really is. It will barely keep the average size mill going for 15 or 20 days in the year and it certainly is not an economic basis on which to build large bulk, small revenue traffic for a new branch line. Furthermore there is no suggestion by the economic advisors that this pulp rail haul to the Quebec area could be at a price which would be economically feasible, and there is no indication that the pulp and paper companies are really interested in it.

The only indication presented by the minister and his advisor to our committee was that one corporation, the St. Lawrence corporation, had indicated a volume of wood chips that might be shipped out from the Gaspe area in association with the waste from the saw mill enterprises, but no indication was given of where there might be a possibility of bulk traffic that would bring something to the railway in terms of bulk pulpwood. The minister says that the cut is 50,000 cords, but even 200,000 cords is a pittance in terms of revenue as a haul from Ste. Anne des Monts to Quebec city or Three Rivers.

The argument in so far as the pulp and paper industry is concerned really does not stand up to close examination. It must be taken into consideration that the crown lands in this area are held by a number of large paper pulp corporations, and smaller lots are held by small contractors. When we look at this particular situation we have no pattern to indicate where any attempt is going to be made to consolidate these holdings. We have no indication that the government and the railway have got together with the provincial government that controls these crown lands to say "maybe we should build a pulp mill on the north shore of Gaspe". Yet the government is prepared to put $14 million into this particular line.

That shows an economic faith that I find almost unbelievable, but let us turn to the

other part of wood production where there is an indication of some kind of volume shipment. That is the indication that at the present time in the Gaspe area there are 75 saw mills with a capacity of 85 million board feet per year. Now I accept the fact that the building of this line will enable some of this wood, but not all of it, to compete more effectively in the Montreal market, but we are given no indication as to the relative amount of this wood which comes by water from the Gaspe area.

The minister further has indicated that he is going to improve the ports, including the port at Ste. Anne des Monts. How does he know when he improves it that it will not be a more effective means of providing cheaper transportation for the lumber from Gaspe into the Quebec and Montreal city areas? It is usually the case that water shipment is cheaper than rail for a bulk commodity such as raw lumber, or even dressed lumber, and it must be remembered that the port facilities at Montreal and Quebec city have distribution facilities. Therefore it is hard to see where, in respect of a product such as lumber, one which really has some large substance on the market at the present time, it is going to gain so tremendously from a railway line 57 miles long.

The situation in so far as products of the forest, particularly pulpwood, are concerned is not a very attractive one and we have no indication of a real economic survey or any real research having been done by the minister's department with regard to future prospects in this particular regard. In effect we are given a number of pious statements, and all I can say with regard to these pious hopes in so far as forest industries are concerned is that I come from an area which depends for its real life blood upon the products of the forest—and this is an area where the railway lines have been paid for a long time ago—these railway lines cannot compete with other forms of transportation.

Over the last 10 years we have been seeing a revolution in transportation in the woods, and this applies to other commodities as well, where an increasing emphasis has been placed on trucking. Now the Gaspe area has trucks and highways, so again we begin to wonder about the whole story of this $14 million expenditure for a railway line that apparently the minister's economic advisors cannot really indicate has any substance in its immediate future. When I say "immediate future" I am thinking in terms of five or 10 years, because to create a pulp and paper mill usually takes five or 10 years. To create the kind of operation that would make it economical to ship wood and paper pulp by this rail project would probably take much longer than five years.

The other will-o'-the-wisp, beacon, or siren that the minister put forward to justify the building of this line is the fact that there are large mineral deposits lying just to the south of Ste. Anne des Monts, an area to which this line will go. Why is it that in almost all the other railroad projects we have heard about in recent years, when a mine wants a railway the railways are willing to put in the line? We struck a hot base metal find in our area at Geco and we got two railway lines there.

Mr. Benidickson: And they are not paying.

Mr. Fisher: They are not paying at the present time. The C.P.R. and the C.N.R. both dived in; they were both anxious to get the right to carry the concentrates from that area. That was only five or six years ago; but here in this case the government seems prepared to put in $14 million primarily to move mineral resources for which it has no hard or firm contract.

May I call it five o'clock.

Clause 1 stands.

Progress reported.

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motion and public bills.

PRAIRIE FARM ASSISTANCE ACT

SUGGESTED PROCEDURE TO PROVIDE COMPENSATION FOR CROP FAILURES

Mr. Hazen Argue (Assiniboia) moved:

That, in the opinion of this house, the government should consider the advisability of providing comprehensive income payments to farmers in time of crop failure by giving consideration to amending the Prairie Farm Assistance Act so as to provide: (a) an increase in the schedule of payments as follows: (i) an increase in the maximum payment from $4 per acre to $8 per acre; (ii) an increase in the present $3 per acre payment to $6 per acre; (iii) an increase in the present $2 per acre payment to $4 per acre; (b) an increase in farmers' contributions from 1 per cent to 2 per cent; (c) an increase in the maximum cultivated acreage on which payments may be made from 400 acres to 600 acres; and should give consideration to the provision of other appropriate amendments required to assure adequate income support in time of crop failure.

He said: I am pleased at this time to move this resolution for the consideration of the house. It is designed to extend the scope of an act which has been on the statute books of this country for a long time. I refer to the

Prairie Farm Assistance Act which was placed on the statute books for the first time in 1939. This act has been of great benefit to farmers in western Canada during years of crop failure.

It is an act to which farmers themselves as well as the federal treasury make a contribution. Over the years, payments of approximately 50 per cent have been made by the producers and 50 per cent by the federal treasury. This act has been improved from time to time over the years. When it was first placed on the statute books it required an area in Saskatchewan with a crop failure in some 135 townships, or 100 townships in Alberta or Manitoba before payments could be made. Since that time the area has been reduced, and now the basic unit for the operation of the act is one township. This means that in any year when there is a crop failure in any real sense the act becomes operative, and while it does not work on an individual basis—while there is still a great measure of rough justice in its administration —nevertheless the vast majority of producers who experience crop failure do receive some benefit under the legislation.

To sum up the purpose of this resolution in a nutshell, it is to double the benefits and double the contributions. The wording in the last section of the act "400 acres to 200 acres" would probably better be spelled out by saying "one half of 200 acres up to 600 acres". Of course, half of 400 acres is the basis on which the wording is put into the act. This act, over the years, has cost the federal treasury a good deal of money. It is estimated that over the last 21 years the total benefits paid out have been in the neighbourhood of $261 million until this year, and the farmers have paid $127 million of that amount. This means that year in and year out the federal government has, on an average, contributed some $6 million.

The proposals in this resolution, if they were implemented, would mean an additional burden on the treasury of perhaps $6 million to $10 million a year over a long period of time and would double the contributions made by the producers under this act.

The Prairie Farm Assistance Act was brought into this house by the late Hon. J. G. Gardiner and it is one of those acts which he fostered and which he supported. He was able to amend it in a beneficial way from time to time. It has stood the test of time. It is a good act, and what I say in favour of this act today I have said on many occasions in the past. All I am saying now is that the time has come when there should be further improvements made to a very good act.

We have a crop insurance scheme which deals with the same general field of crop failure. The present Crop Insurance Act has many shortcomings in my opinion. When it was before this house I criticized the fact that the federal government was prepared to assume only 20 per cent of the estimated premium cost over a period of years, that the federal government was not prepared to assume any part of the losses themselves, and that if there were a series of serious losses under the Crop Insurance Act the provincial treasuries would become bankrupt. I contend that the Crop Insurance Act as it has been placed before this house is not a substitute for the Prairie Farm Assistance Act and that the Crop Insurance Act has been found wanting in many respects. It is used rather extensively in the province of Manitoba. It has been used in a very limited way in Saskatchewan. It has not been used at all in the province of Alberta.

The province of Saskatchewan, so I understand, is prepared this year to continue the operation of the Crop Insurance Act in co-operation with the federal government but in order to protect the provincial treasury the provincial authorities are saying that they are prepared to pay losses only to the extent of $5,000. This very seriously limits the application of the crop insurance scheme in that province. I asked the Prime Minister a few days ago whether there had been in consultation between the federal government and provincial governments with respect to providing a system of reinsurance so that the provincial treasuries would be protected in times of severe crop failure, particularly while the fund was being built up. The answer given by the Prime Minister was that no consultations had been held between the governments—there had merely been individual contacts between officials of the federal department and the provincial departments. I submit that this is not good enough. I submit that the federal government has failed to take the lead in encouraging the operation of a crop insurance scheme adequate to protect the farmers of western Canada. I submit that the government has promoted in this country a crop insurance scheme which is largely impracticable, one which is largely inoperative and which does very little to protect western producers. If the federal government would pay a sum larger than 20 per cent, if the federal government would take the initiative in bringing about a method by which there would be co-operation in reinsurance between the federal government and the provinces, then the crop insurance plan might have a much

greater application and be of much greater benefit. But until that is done, the crop insurance scheme will be of very limited value.

The last time the Prairie Farm Assistance Act was amended to increase the total payments under the act was in 1957. Up until that time the maximum payment a farmer could receive was $500, or $2.50 an acre on one half of 400 acres. Now the maximum is a total of $800, or $4 per acre on one half of 400 acres. I am asking by this motion that the maximum of $4 an acre be made $8 an acre, that the payment of $3 an acre for a yield category of from three to five bushels be made $6 an acre and that the $2 an acre payment of from zero to three bushels be made $4 an acre. This would be a straight doubling of the payments within this yield category.

The further proposal is that in recognition of the general increase in the size of farms since 1939 the government should consider an increase in the acreage on which benefits may be paid and that it should consider a 50 per cent increase in the acreage on which benefits could be paid. This would mean for a larger farm—and perhaps I should call this an average size farm because there are a great many farmers today who have up to 600 cultivated acres—a maximum payment in the lowest yield category of $2,400.

I have in my hand the August 1961 issue of the *Economic Annalist* which gives the 11-factor cost of production index. This index shows tremendous changes in the farmer's costs of production over the years. In 1939 the index stood at $99.3. In April of 1961 the index had risen to $283.4. In other words from 1939 to 1961 the cost of production index has almost tripled.

The maximum payment under the act in 1939 for the smaller acreage or the acreage then provided was $500. For a similar acreage under the proposal I am placing before the house today the maximum payment would be $1,600. That is very close to the change in the cost of production and would merely mean that for a farm of this size in 1962 the farmer would be able to receive a sum of money with approximately the same purchasing power as the dollar had in 1939.

I realize that there are certain areas of western Canada where prairie farm assistance has very little appeal. I realize there are areas of western Canada where this proposal will not receive wide support. However, it is my experience that taking western Canada as a whole over the years P.F.A.A. has been very acceptable, has received the support of western farm organizations and I am led to believe the proposal I now have before the house would receive similar support.

As to the future I think we should develop a better P.F.A.A. It may be advisable also to develop a more adequate Crop Insurance Act. It may be that at some time in the future these two acts can meet so that together they will give the western farmer some protection in time of crop failure.

The kind of measure I propose today is not something that is a cure-all for the problems of western Canada. It would merely mean that in time of widespread crop failure there shall be a basic minimum below which the farmer's income will not be allowed to drop. This basic minimum income for a farm of 400 cultivated acres in time of total disaster would be $1,600, which I submit is not a tremendous sum of money with costs as high as they now are. I suggest that the cost of a measure of this kind can be borne quite readily by the federal treasury. When you compare the cost of this kind of legislation with the $1 an acre payment, provision for which was recently made, or the payment of storage costs, provision for which has been on the statute books for a long time, the cost of this type of provision cannot be regarded as prohibitive in any sense.

The Prime Minister said in the throne speech that certain payments would be made to farmers who have suffered from crop failure. Those payments have not been made to farmers who suffered crop failure but to all farmers. In keeping with the sentiments expressed in the Prime Minister's statement I suggest this kind of provision should be given favourable consideration by the house, that the Prairie Farm Assistance Act placed on the statute books in 1939 has proved of great value, that its benefits should be increased and that the farmers themselves are willing to pay more into the act if they are allowed to receive greater benefits.

Mr. McIntosh: What authority does the hon. member have for making that statement?

Mr. Argue: My authority derives from my understanding of the position of the farmers. My hon. friend can contradict me and say I am wrong. That is fine. Nevertheless I make the statement that the farmers of western Canada would be quite happy to have the 1 per cent deduction for P.F.A.A. increased to 2 per cent if they could get the benefits under the act doubled and if they could get the maximum cultivated acreage increased from 400 to 600 acres.

Mr. Rapp: That would be all right in southern Saskatchewan.

Mr. Argue: I think this kind of proposal would be highly acceptable. The hon. member for Humboldt-Melfort-Tisdale—one has to be so careful in using that unwieldy name

—says that that would be all right for southern Saskatchewan. Under the legislation brought in by this government farmers in areas such as the hon. gentleman's or in areas similar to his in Manitoba may have a chance to get crop insurance and they do not have to pay the payments under this act. The hon. gentleman may obtain it for his producers if he wants it. When this argument has been presented in the past we found that although there was a lot of vocal complaint about the levies that were made, when farm organizations were asked if they wished to have large areas of western Canada exempted from the act they said no. I suggest the motion I am proposing today is one that will receive the wholehearted approval of western farm organizations and will represent a great step forward in providing crop failure protection to farmers in western Canada. I hope this motion will come to a vote and that we may be able to test the sentiments of the house.

Mr. J. H. Horner (Acadia): Mr. Speaker, this is not the first time we in this house have heard the hon. member for Assiniboia mention that he would like to see these changes made in the Prairie Farm Assistance Act. The only difference today is that he is speaking from another quarter of the house. I wonder whether he has the support of the Liberal party in this regard. I notice that the motion was seconded by the former official agricultural spokesman of the Liberal party. I wonder whether the hon. member for Assiniboia has the full support of the Liberal party in presenting this motion today.

Mr. Benidickson: We are all for it.

Mr. Horner (Acadia): That is a question I wonder about. Perhaps the former agricultural spokesman of the official opposition will participate in the debate later and give the house the benefit of his viewpoint.

Mr. Boulanger: I will.

Mr. Horner (Acadia): It would be interesting to the house to have the viewpoint of the Liberal party because hon. members in the official opposition have been going through Quebec saying that the western farmers do not need any additional support and do not need acreage payments. How does the hon. member for Drummond-Arthabaska feel about this motion. This matter is of very great interest to me as my constituency has always been one of those in Alberta which have benefited a great deal from P.F.A.A. While I realize this fact, I must point out that my constituency is in the unique position of having half of it benefit a great deal from P.F.A.A. and the other half benefit very little at all. Hence I hear two sides of the story as I go throughout the east central part of Alberta. I hear those who would like more money under P.F.A.A. and I hear those who would like to do away with it altogether. It would be interesting to hear what the other members of the newly found party of the hon. member for Assiniboia have to say on this matter. My mind is taken back to the time when this question was raised in the house in 1958. At that time the hon. member for Assiniboia was going throughout the country saying that the Conservative party has 47 members from western Canada but that it would take them four years to find out where to hang their hats. May I say that it has taken him 17 years, Mr. Speaker, to find out where to hang his hat; and we who formerly came from Saskatchewan are not sure that in 17 more years he will not be hanging it somewhere else.

This is a question on which one must gauge the remarks emanating from the Liberal party having regard to where they come from; I refer to the new, the old, the this and the that. This is a question that I suggest to you, Mr. Speaker, all members of the house should take into consideration when they study this resolution. Certainly the constituency of the hon. member for Assiniboia will benefit perhaps to some extent by this resolution if no further changes were made with regard to P.F.A.A. When he mentioned this matter in the house in 1958 I asked him to what rate he would then raise the percentage in P.F.A.A. He said he would triple it. I observe that he has now reduced the figure to 2 per cent instead of 3 per cent. Maybe this is the effect of the switchover. I do not know. I will leave it to him to decide. However, this is the change that he has talked about.

There is another thing I should like to point out to the rest of the house. He has mentioned that this would perhaps just double everything in the Prairie Farm Assistance Act. It would also double the contributions made by the federal government towards western Canada. This is a point in which the hon. member for Drummond-Arthabaska would be quite interested in view of the remarks he has been making throughout his home province with regard to western farmers.

Actually from 1939 until 1959 something like $101 million were paid into the prairie farm assistance fund through the 1 per cent levy on farmers, and $202 million were paid out under the Prairie Farm Assistance Act. Those are approximate figures. Hence the federal government has stood practically half the cost. I also think it fair that it be pointed out here that Saskatchewan has been the big

beneficiary. They have been receiving something like $2 for every $1 they put into it, Alberta about $1.50 and Manitoba were lucky if they broke even. Perhaps that is why crop insurance has gone over so well in that province. However, in doubling the contributions as suggested in this resolution the farmers would then be paying approximately, on the average, $20 million every year into P.F.A.A. The federal government, of course, would perhaps be paying out, on the average, $40 million every year. When you consider the $40 million every year and the crops raised on the acreage, this comes to something very close to 6 per cent. This 6 per cent under the Manitoba crop insurance plan will get you a better return than the $8 an acre suggested here by the hon. member for Assiniboia. While I and a great many of my constituents would benefit by this proposal, I think it only fair that some of these things be pointed out to the house and to both parties.

Another thing that should be pointed out is this. The hon. member for Assiniboia suggested that some day in the future the Crop Insurance Act and the Prairie Farm Assistance Act may meet. I suggest that they meet right now if the province will get a move on and do something about the matter. Manitoba has taken quite a large forward step, in my opinion, in offering the farmers crop insurance, that is in areas in which the P.F.A.A. does not cover the situation too well because of the minimum they must have in order to qualify, because of poor crop below 8 bushels an acre. Half townships are obliged to qualify.

The hon. member for Assiniboia never mentioned today the question of individual basis. Actually more farmers are concerned with receiving P.F.A.A. or crop insurance on an individual basis. He failed to mention that matter in his talk. I think this will be a far better step; I refer to bringing it down on an individual basis. It would do away with any conflicting crop reports turned in by one farmer and another. Actually I realize that bringing it down on an individual basis would be difficult under the Prairie Farm Assistance Act as it now stands. But under the Crop Insurance Act there is no real difficulty in this matter. In fact, most of the crop insurance is written up, as I understand it, on an individual basis.

This points out one of the advantages a farmer can have by taking out crop insurance or advocating, as is the case in Alberta, that the provincial government devise a crop insurance scheme. Another advantage is this and I point it out purely to show the house the differences between the two pieces of legislation. In the P.F.A.A. the payments cover a limited number of acres. In this motion I think the hon. member has suggested that the number be increased from 400 acres to 600 acres. Here again he is catering perhaps to some of the larger farmers. Maybe he has all the large farmers in Saskatchewan down in his area.

Mr. Argue: May I say that 600 acres is not a particularly large number.

Mr. Horner (Acadia): That is the hon. member's opinion, not mine. However, I point out this fact. Under the Crop Insurance Act a farmer can insure all his crop if he so desires. This is a direct improvement over the Prairie Farm Assistance Act. It can be on an individual basis. He can insure all the acreage he farms. In fact, in one of the provinces I think he is obliged to insure all the acreage he farms if it is farmed in one unit, or something like that.

The other point I should like to bring to the attention of the house is this. As I have already mentioned, my constituency benefits a great deal by P.F.A.A. In fact, two thirds of the amount paid out under P.F.A.A. in Alberta I daresay goes into the constituency of Acadia. However—and I draw this point to the attention of the house—if increasing the payments is in any way going to arouse those farmers who are paying into it and are receiving nothing from it, or is going to anger them to such a point that they convince the authorities that perhaps the P.F.A.A. should be amended or should be done away with, then I would be hesitant to support this motion.

We in Acadia appreciate the P.F.A.A. It has done a great deal for my constituency and we wish it to continue to give service to that area. Actually I point this out because of the number of farmers I meet in the north and northwestern part of my constituency who have failed to benefit even in the last few years. Since 1958, when we amended the act, 15 per cent to 20 per cent more farmers are qualified under the P.F.A.A. than were qualifying previously. This takes in all those persons who have side incomes such as that from perhaps a part-time job on a railway or in an army camp or in a small town and are farming on the side. They can now collect under P.F.A.A. An elevator man or a school teacher who is farming on the side can now collect under P.F.A.A. When this change was made in 1958 it allowed something like 15 to 20 per cent more people to qualify for assistance. While the formula of 50 per cent paid by the farmer and 50 per cent paid by the federal government has been true in the past, I question whether or not it will remain true in the future because of the greater number of people qualifying under

the Prairie Farm Assistance Act today. I believe I have pointed out to the house some of the difficulties and possible results that this resolution might have and I think that it requires considerable study.

(Translation):

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, for the information of hon. members who are always accusing me of reading my speeches in the house, I shall explain to them the notes before me. In this way, I hope not to be disturbed for a few minutes during which I propose to speak.

Of course, I had no need of an invitation from the hon. member who just sat down because I proposed to take part in the discussion for several reasons.

Indeed, Mr. Speaker, I supported the motion of the hon. member for Assiniboia (Mr. Argue). One of my reasons for doing so is that the implementation of these proposals would mean a step forward and promote the stabilization of western farm income. Though it exceeds that of the eastern farmers, the income of the western farmers has nevertheless been declining for the past four or five years, more particularly in the last two years.

Mr. Boulanger: A rather gratuitous statement on the part of the hon. member.

Moreover, the implementation of a measure such as that proposed by the hon. member for Assiniboia would improve the situation which prevailed until now with regard to stabilizing the purchasing power of our western farmers which, of course, has an impact on the eastern economy. Indeed, once the western farm income is stabilized, eastern industry will follow suit; our textile industry and our farm implement industry are prosperous. On the other hand, when the income of western farmers declines, we, in the east, suffer too.

Another reason for which I supported the motion of the hon. member for Assiniboia, is that I wanted to help compensate for the promises the Right Hon. Prime Minister (Mr. Diefenbaker) made during the 1957 and 1958 elections, when he promised parity prices, "parity not charity".

The unfulfilled promises of the Prime Minister are known, and, while waiting for a change of government which will allow us to improve our farm legislation, I support the measure put forward by the hon. member for Assiniboia.

The purpose of the motion before us is to protect the farmer against the damages caused by drought—

(Text):

Mr. Henderson: You have got the wrong idea.

(Translation):

Mr. Boulanger: Mr. Speaker, does the hon. member wish to ask a question?

Mr. Pigeon: Do not ask him any question, you will embarrass him, he would not be able to answer.

Mr. Boulanger: As I was saying, Mr. Speaker, the basic principle behind this proposal is to protect the farmer against damage due to drought or all the other causes which can bring about crop failures.

It is true that we have passed a crop insurance act in 1959, but since its enactment, three years ago, this legislation has given practically no result.

In fact, only 194 farmers in Saskatchewan have seen fit to avail themselves of this legislation.

(Text):

Mr. Horner (Acadia): That was the Saskatchewan government.

(Translation):

Mr. Boulanger: That is just what I said: only 194 farmers in Saskatchewan.

(Text):

Mr. Horner (Acadia): That was the Saskatchewan government.

(Translation):

Mr. Boulanger: That is just what I said: only 194 farmers in Saskatchewan and 3,600 in Manitoba. It is nearly three years since we passed this legislation, and out of 575,000 Canadian farmers, only 3,700 have seen fit to take advantage of it. Let nobody tell us that the Crop Insurance Act is beneficial to the farmers of the province of Quebec. Quite the contrary. It does not meet the needs of the farmers.

It is all very well for the Conservative government to claim that they have enacted sound agricultural legislation. It is all very well for the Secretary of State (Mr. Dorion) to travel around in the province of Quebec, claiming that the situation is fine for the farmers in that province. But he is mistaken. He should go to the farms, talk to the farmers and find out about the real situation.

(Text):

Mr. Horner (Acadia): What about the sale of margarine in Quebec?

(Translation):

Mr. Boulanger: If you want to ask a question about margarine, I can answer you and I will take the opportunity to do so.

The sale of margarine in the province of Quebec was asked for by the farmers. Do you know why? They asked for it because although it was unlawful, margarine was nevertheless sold under the Union Nationale administration. And I can say—

Mr. Pigeon: May I ask a question of the hon. member?

(Text):

Mr. Speaker: Order. Is the hon. member rising on a point of order?

Mr. Pigeon: I should like to address a question.

Mr. Boulanger: No, later.

Mr. Speaker: Order. If the hon. member yields the floor a question may be put.

Mr. Martin (Essex East): On a point of order, a question was asked when the hon. member for Drummond-Arthabaska was in the process of answering a question that had just been put to him. It is quite obvious that the question of the hon. member for Joliette-L'Assomption-Montcalm was not to elicit information but to try to interfere with the speech being delivered so ably by the hon. member.

Mr. Dorion: It would be embarrassing because the answer is not in the text.

Mr. Speaker: Order. The hon. member for Drummond-Arthabaska has the floor and I trust he will have it without interruption.

(Translation):

Mr. Boulanger: I wish to complete my answer to the hon. member for Acadia. If the sale of margarine was authorized, it is because the farmers asked for it, since the Union Nationale administration did not care to enforce the act it had passed in that regard. That is why margarine is sold in the province of Quebec.

I might add that several members of the Union Nationale were directors of margarine producing companies, or what we used to call "spread" because the use of the word "margarine" was forbidden.

Now the hon. member for Acadia asked me about the point of view of the eastern farmers. I will gladly make it known to him, as well as mine.

We never criticized the measures to help the western farmers. I challenge any member to prove that I spoke against the assistance to western farmers. In fact, we asked for the farmers in the east the same benefits that were being granted to those in the west.

Here, I must pay homage to the hon. member for Assiniboia (Mr. Argue) who has always worked in the interest of the eastern as well as the western farmers, because he understands their situation.

We asked for the eastern farmers benefits similar to those enjoyed by the western farmers. But this was not granted to us; and, in view of the Conservative members who surround us, we have no hope of being successful, because they are not aware of the eastern farmers' problems. They do not want to help them.

We will therefore have to wait until there is a change of government, in a few months from now. It is only then that the farmers will be able to raise their heads, breathe easier and really live.

Mr. Speaker, I will end my remarks immediately, because I would like the question to be put on the motion in order that we may find out, once and for all, who is in favour and who is against the agricultural policy for the west and for the east as well.

(Text):

Mr. Pigeon: I would like to—

(Translation):

Mr. Boulanger: Ask it in French.

Mr. Pigeon: Well, I shall be pleased to ask it in French.

I have received representations from cigarette, cigar and pipe tobacco growers concerning crop insurance. Could the hon. member tell me why the provincial government does not ask to take part in that crop insurance program in order to support the specialized tobacco crops in my constituency?

Mr. Boulanger: I will gladly answer the hon. member for Joliette-L'Assomption-Montcalm. If the province of Quebec does not join this Conservative crop insurance scheme, it is because it is not feasible in that province.

An hon. Member: Why did you vote for it, then?

(Text):

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

Mr. Argue: Let us have a vote. Let us find out how the party stands.

Mr. Speaker: Order; the hon. member for Dauphin.

Mr. R. E. Forbes (Dauphin): I wish to say a few words on this resolution sponsored by the hon. member for Assiniboia (Mr. Argue). I am in agreement with the intention of the hon. member to provide farmers with sufficient income with which to pay operating expenses in years of crop failure due to drought, or other cases over which the farmer

has no control. However, the P.F.A.A. was implemented in the thirties as a measure of relief to enable the farmer and his family to live. The provincial government and municipalities assisted the farmer with the purchase of feed and seed grains on a loan basis until the farmer could get a crop which would enable him to repay his loan. This legislation has been amended from time to time to enable more farmers to qualify, by reducing the area and increasing the compensation.

In 1958, the act was amended to remove many of the inequities in the making of payments and to broaden the coverage. The result has been from 10 to 15 per cent more farmers benefit from this legislation than previously benefited from it. This whole matter of income for farmers has been of great concern to this government. In order to stabilize the income of farmers, particularly in years of crop loss, this government in July, 1959, passed the Crop Insurance Act. It was hoped this would enable farmers to help themselves and would meet conditions such as were experienced during this past season.

If I may, Mr. Speaker, I should like to put on the record the regulations which are necessary to enable farmers to benefit from this worth-while legislation, as many hon. members may not be familiar with it. This legislation has been of great benefit to the farmers in Manitoba who have carried crop insurance. I quote:

> The act provides that Canada will pay 50 per cent of the administrative costs of any insurance scheme plus 20 per cent of the premiums paid in any year. The contribution of 20 per cent of the premiums is similar to that paid by Canada to the unemployment insurance fund.
>
> In addition, Canada may in any year loan to a province up to 75 per cent of the amount by which indemnities exceed premium income plus reserves plus $200,000.
>
> There is no compulsory feature in crop insurance but the agreements now in force provide that at least 25 per cent of the farmers in any area covered by the insurance scheme must participate before the scheme can operate.
>
> The coverage provided under any agreement with a province shall not exceed the established value of 60 per cent of the long term average yield. The established value of each crop is determined by any method agreed on by Canada and the provinces. The long term average yield of an insured crop in any area is calculated and determined in a manner approved by the federal Department of Agriculture. In the Manitoba agreement the long term average yield is calculated over a 35 year period. However, different periods of time may be used depending largely on yield records which are available.
>
> It is generally accepted that the 60 per cent coverage provided is approximately equal to the cash cost of production.

Just what are the costs of production in Manitoba? The hon. member for Assiniboia has said that under his plan of amending the P.F.A.A., the farmer could collect $1,600. I have been advised that in Manitoba some of those farmers who carried crop insurance collected over $5,000. Surely, this is a scheme that would be approved by any farmer who wanted coverage which would enable him to pay the expenses connected with farming. Now, the rates which applied in Manitoba are simply these, as it states here:

> The premium rates between townships in the northwestern area from 6½ to 10 per cent (or 98 cents to $1.51 per acre) for a coverage of—

Now, the hon. member for Assiniboia should listen to this.

> —$15.15 an acre for wheat, $12.71 for oats, $14.84 for barley and $16.50 for flax.

Hon. members should note that these are the premiums the farmer himself would pay. The full premium to handle the coverage includes another 20 per cent from the federal government. I feel that this crop insurance measure is one of which the farmers should avail themselves.

Some hon. members opposite have complained—

Mr. Peters: You have not talked about the resolution.

Mr. Forbes: —that this act has not been accepted by the farmers. This is due to the fact that over the last eight or 10 years we have had a succession of good crops. They have been waiting for something that would be a little bit cheaper. I am certain that with experience, the government of Manitoba will establish rates for the various soil zones that will be acceptable to the farmers of our province.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to endorse this resolution. As you probably know, as a group, we have already accepted this resolution and had some discussion about it. We are in a position where we are getting support from another section of the house that we perhaps did not expect—

Mr. Argue: Come over, Arnold; there is a vacancy right here.

Mr. Peters: The hon. member for Drummond-Arthabaska has said that there has been considerable criticism from eastern Canada of these acts. I should like to say, as a representative of a farming area, that I think this is very unfair. I think that in a good many cases we find more reluctance on the part of the representatives of western agriculture to support the eastern farmers than we do on the part of the eastern farmer to support the programs of the western farmer.

Mr. Argue: Let us have a vote on this.

An hon. Member: That is not true.

Mr. Peters: We think it is true. I am quite aware of all the legislation which applies to western Canada. It was my intention to move an amendment which in effect would remove the last sentence and add "so as to expand the act to apply to all provinces". However, if I did that you would be very surprised to find it would be opposed by most of the western members, and I say this reluctantly.

Farmers should be interested in agriculture as it applies to the whole country, rather than taking a sectarian point of view, those in one area wanting more for themselves and not being interested in seeing it is applied to the rest of the country.

The last speaker mentioned crop insurance and I do not see how that could arise in this discussion. It is a completely different thing altogether. I would like to add to what the hon. member for Drummond-Arthabaska said and I would tell the house that in my area the farmers have discussed this matter. The minister of agriculture in Ontario set up a commission of the provincial legislature which went around among the farmers to find out if they would support this type of insurance that the government proposed. In my area there was a very largely attended meeting and they told the head of the delegation, who is now the minister of agriculture and therefore is aware of the opinion they had, that they were not opposed to crop insurance being introduced in Ontario but they were personally not interested in taking part in the scheme. They said they would support it on the basis that it might be good for somebody else.

The people in eastern Canada connected with the agricultural industry are interested in supporting legislation that will be beneficial to other parts of Canada, and I hope eventually we shall be able to look at agriculture in an across-the-board type of way. I might even refer to it as an industrial union of agriculture rather than a craft union, so that all people engaged in agriculture will be interested in the problems of people in different sections of the industry, and thus give sustenance to this type of proposal.

I am quite happy to see acceptance of this extension, and when a vote is called before the hour is up I think we shall find that all members of the house will support this legislation. The western members can rest assured that if they are willing to do that, then the eastern members will be quite happy to give this their support.

Mr. Jack McIntosh (Swift Current-Maple Creek): In speaking on this resolution I first want to refer to statements made by two opposition members. One was that the western members at no time would want to help the farmers in eastern Canada. On behalf of all the western members, and I think I can speak for them, I want to say that is absolutely wrong. The reason they said that is because they do not understand the Prairie Farm Assistance Act. That is one reason why I would not support this motion.

Further, I would point out to the hon. member for Assiniboia that under the Prairie Farm Assistance Act the producers have to contribute 1 per cent of their product. It is taken off their cheques when they take their grain to the elevators. If the federal government increased this in the manner suggested by the hon. member for Assiniboia, then naturally the constituency he represents, and the one represented by the hon. member for Acadia would be all in favour of it. Those members who represent constituencies in the foothills of Alberta, where producers have paid into this from the start and have not reaped any benefit from it, would be against it because their constituents would immediately say "let us out." That is one of the reasons why the eastern farmers do not want to participate now.

Mr. Peters: We would probably want to participate but we have not the opportunity. It only applies to three provinces.

Mr. McIntosh: This is considered the spring wheat area. If the hon. member for Drummond-Arthabaska and yourself would get together we would support you at any time if you wanted this extended all over the country. I agree with the remarks made about viewing agriculture as one industry right across Canada, and that we should work for the benefit of all Canada and not just one particular area.

Mr. Boulanger: The minister promised to extend this last year, or two years ago.

Mr. McIntosh: That is the trouble. Possibly your party did not have strong enough representation, and I sympathize with your efforts over the past four years in that you did not understand the problem in western Canada. This resolution is not a new one. We discussed it the first year we were down here and some of the western members representing the foothill constituencies said "our farmers won't go for it". The constituency represented by the hon. member for Acadia, and my own, have benefited more from this act than any other constituencies in Canada, and I would point out it was never intended to be an insurance act. By its name it is an assistance act and if this resolution goes through it will be a means of putting the

farmers back to where they were in the 1930's. They would have to look to the municipalities for relief.

In the first place the payments under this act were never meant to cover all the losses in production. They were just intended to be of assistance and they are not given to the landowner himself. They are actually given to the operator of a farm, the one who has to put in the crop the following year, and it is not a matter of covering his complete losses.

I have made mention of spring wheat areas and they can be divided into two parts, the part known as the prairies or great plains, and the part known as woodland and parkland. Climatic conditions in each of these areas vary from year to year. We in the prairies or great plains area suffer from drought, frost, rust, hail and so on, and in the long term average over a period of 45 years one would think we should have given up farming on this type of land. However, over a 45 year period on that type of land we have had an average production as great as if not greater than the parkland area, and I think it is in the interests of the people of Canada to keep that group of farmers on that land to produce more crops of wheat.

Agriculture used to be first in our exports. Now it is third and we must maintain our production on the western prairies.

I should like to say something about how this program is financed. Farmers contribute to the program to the extent of 1 per cent of their sales of wheat, oats, barley, rye, flax and rapeseed. The last two were included last year and all farmers are covered in the program. When I mention "farmers" I mean the actual producers on the land and not the land owners. This money is placed in the prairie farm investment fund and is used to pay farmers who experience crop failures. The additional funds required for payments are provided by the federal treasury without interest. All administrative costs of the fund are also paid by the federal treasury and, as the hon. member for Acadia told us, this 1 per cent contributed by the producers amounts to 50 per cent of the money that is paid out. The farmers pay that themselves, and of course they also contribute to the amount of money paid by the federal treasury. Up to the present—

Mr. Speaker: I am sorry to interrupt the hon. member but the hour for consideration of private members' business has expired.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Before you leave the chair, Mr. Speaker, I hope the house leader could indicate to us the business for the next two days and, if he could possibly do it, it would be a great help if we could know what the government intends to start with next week.

Mr. Churchill: Tomorrow we shall continue with the supplementary estimates which we have not yet completed, followed by the estimates of the Department of Public Works. I think the study of the estimates will take most of Thursday and Friday. I will consult with the members of the parties on the other side of the house tomorrow afternoon with regard to the business which will be coming up on Monday.

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

HOUSE OF COMMONS

Thursday, March 8, 1962

The house met at 2.30 p.m.

RAILWAYS, CANALS AND TELEGRAPH LINES

CONCURRENCE IN FOURTH REPORT OF STANDING COMMITTEE

Mr. W. M. Howe (Wellington-Huron) presented the fourth report of the standing committee on railways, canals and telegraph lines, and moved that the report be concurred in.

Motion agreed to.

NATIONAL DEFENCE

TRAINING OF UNITED KINGDOM UNITS IN CANADA

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I should like to make a statement with regard to the training of British army units in Canada during the forthcoming months. The house will recall that last summer, in response to a request from the United Kingdom government, the Canadian government agreed to a battalion of the British army being airlifted to Camp Gagetown in June to train with the 3rd Canadian brigade group. This exercise proved of value to all concerned.

This year, and again at the request of the United Kingdom government, we have agreed to a battalion joining Canadian regular army forces in Canada for summer training. The first battalion of the Royal Welsh Fusiliers has been nominated. Details as to the location of the training area are now being worked out and will be announced in due course. As was the case last year, the United Kingdom will bear the total administrative costs. In addition, the Canadian government has also agreed to a proposal that a British army battery and a parachute company should come to Canada later this year and early in 1963 to obtain training experience under winter conditions.

I am sure all hon. members will appreciate this further evidence of the close co-operation which exists between Canada and the United Kingdom in matters relating to our common defence effort.

ADMINISTRATION OF JUSTICE

ACTS OF TERRORISM, B.C.—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I beg leave to move the adjournment of the house, seconded by the hon. member for Kootenay East, under standing order 26 for the purpose of discussing a definite matter of urgent public importance, namely the need for federal assistance to the provincial government of British Columbia to effectively deal with the extremely serious situation in the Kootenays caused by continuous bombings and acts of terrorism, culminating two days ago in the destruction of half a million dollars worth of property causing unemployment to over 1,000 persons for a period of a few weeks to months.

Mr. Speaker: Before I hear the minister, perhaps I should ask the hon. member who requests leave to indicate, if he can, what is the urgency of debate. The problem of bombings and other unlawful acts by certain people in the Kootenays has engaged the attention of this house and of the country for a long time. It is true that there was recently an outbreak with particularly serious consequences to which the hon. member has referred. However, I wonder whether or not that creates an urgency of debate in a continuing problem. I would ask the hon. member to address himself briefly to that point, then I shall hear from the Minister of Justice.

Mr. Herridge: Mr. Speaker—

Mr. Speaker: The question is urgency of debate. Recognizing that there is a serious problem, it is a continuing one. Is there some new aspect to it now which it has not been possible to debate in this session or will not be possible to debate within a reasonable time?

Mr. Herridge: The urgency of the situation for the people of the Kootenays is in the fact that according to some it has now almost reached the stage of civil war with these continued bombings, acts of terrorism and sabotage. The mayors of the various cities in the Kootenays, the heads of industrial organizations and numerous unions have wired members of the government, including the

Prime Minister, the member for Kootenay West and the member for Kootenay East, urging the federal government to take action. They believe the urgency is very particular at the present time, and it is on that basis I moved the adjournment of the house.

Hon. E. D. Fulton (Minister of Justice): If I may say a word on this, I would prefer not to deal directly with the question of urgency because, as a minister coming from British Columbia, you will appreciate that I am aware of the nature of the problem and the serious aspect it has taken on just lately. Whether or not that kind of urgency brings it within the rule regarding urgency of debate is a question Your Honour has raised which I am content to leave where, I submit with respect and deference, you have correctly summarized it.

There are two other grounds on which I think the motion is out of order, and it is with those I should like to deal. The first is based on citation 100 in Beauchesne's fourth edition, page 89, where he says:

> The definite matter of urgent public importance for the discussion of which a member may ask leave to move the adjournment of the house under standing order 26 must involve the administrative responsibility of the government.

The constitutional position, sir, as is well known, is that the responsibility for the maintenance of law and order and the protection of property is that of the provinces. So long, therefore, as the province accepts this responsibility there is no way that the federal government can intervene to give assistance in this field, so there is at present no way in which any question of the administrative responsibility of the federal government arises. No indication has been received that the province of British Columbia does not accept the responsibility of maintaining law and order. Therefore, as I say, there is no way in which this matter could come within the administrative responsibility of the federal government.

In saying this, I would not want to be taken as implying that responsibility would automatically be accepted if a request were made. There are relevant statutes and other provisions in this regard with respect to the kind of assistance and the circumstances under which assistance of the kind referred—that is, military aid and extra policing—can be requested by a province. These would have to be looked at, and certainly would be looked at, at once to see whether or not these circumstances prevailed if any such request were made. The point that is important to note here for the purpose which we are dealing with now is that no request has been made by the province. There is no indication that the province does not accept the responsibility or feels it cannot discharge the responsibility for the maintenance of law and order. In those circumstances I submit that it is not a matter within the scope of the citation to which I have referred.

I repeat that I do not want to take what I may call, with respect, the narrow ground with regard to urgency, although I do submit with deference that you have correctly stated the position there. Rather I prefer to rest on the ground I have referred to, and on the ground contained in paragraph 5 of citation 100 at page 90 of Beauchesne's fourth edition, namely:

> The adjournment of the house cannot be moved with reference to critical conditions generally prevailing in certain parts of the country.

Although it is British Columbia's misfortune, nevertheless fortunately the conditions prevailing in the constituency of my hon. friend from Kootenay West are not those generally prevailing across the country.

So on those two grounds, while respecting fully the desire of the hon. member for Kootenay West and the hon. member for Kootenay East and their anxiety in this matter, and while indicating that all hon. members in the house share that anxiety—certainly the government shares and understands their concern—nevertheless in my respectful submission this is not the kind of subject that can be debated here at this time, for the reasons I have given.

Mr. Speaker: I am not sure whether the hon. member who is asking for leave feels that the matter has been sufficiently placed before the attention of the government to allow his request to stand, or whether he would like me to deal with it on its merits.

Mr. Herridge: I have listened to the minister's explanation with great interest, and in view of the facts he placed before the house I feel I have nothing further to say at this time.

Mr. Speaker: In the circumstances I think I might be correct, then, in rejecting the motion at this time.

UNITED NATIONS

DISARMAMENT—PRIORITY OF AGREEMENT ON NUCLEAR TESTS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I would like to ask a question of the Prime Minister in view of the forthcoming disarmament meeting at Geneva next week. Does the government consider that the first and essential step in reaching a general

disarmament agreement should be an agreement to end all nuclear tests, with appropriate provision for inspection and control, and that this should be given first priority at the forthcoming conference?

Hon. Howard C. Green (Secretary of State for External Affairs): There is no doubt that the question of nuclear tests will be raised. There are to be preliminary discussions on that point among the foreign ministers of the United Kingdom, the United States and the Soviet union commencing on Monday, and there probably will be subsequent discussions in the disarmament committee itself. But I think it would be unwise for Canada to insist that this question of nuclear tests must be settled before the committee undertakes any discussion of the broader question of disarmament.

We shall be doing our best in the general field of disarmament to bring about an end to nuclear tests, but I do not think there should be a rigid dividing line between the discussions on these two subjects, such as the Leader of the Opposition would appear to be suggesting.

Hon. Paul Martin (Essex East): May I ask a supplementary question based upon a report of a statement made by the Secretary of State for External Affairs on March 2 in Vancouver, when he said:

> Canada's policy has been against any atmospheric testing by any country but the Americans have the responsibility for defending the free world and apparently have decided they are in danger of being outclassed.

Is it now government policy that Canada will not oppose nuclear tests unless there is an agreement providing for a system of controls, inspection and verification, along the lines suggested by the United Kingdom and United States?

Mr. Green: The Canadian policy remains as I have enunciated it on several occasions.

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM, B.C.—STATEMENT ON EMIGRATION TO BRAZIL

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, yesterday the hon. member for Kootenay West asked me whether the government had had any communication with representatives of the Brazilian government with respect to the emigration to Brazil, of Doukhobors.

The answer is no.

The Brazilian embassy informs us, however, that a group of Doukhobors are attempting to negotiate the purchase of land in Brazil and have requested immigration visas for entry into that country. That question is now under consideration by the Brazilian authorities. The Canadian government has not been involved in any way with this matter, and I am therefore unable to say whether or not the Sons of Freedom are included in those who are desirous of being considered as potential immigrants into Brazil.

[*Later:*]

Mr. M. L. McFarlane (Kootenay East): Mr. Speaker, I should like to pose a question to the Minister of National Defence. In view of the serious situation in the Kootenays, would the minister be willing to send in the militia if the request is made by the appropriate authorities in British Columbia?

Hon. D. S. Harkness (Minister of National Defence): The responsibility for maintaining law and order in the Kootenays, as indicated by the Minister of Justice, is with the provincial authorities. It would appear to me that until they have exhausted their capabilities in that direction there would be no necessity to call upon the members of the Canadian army to assist them in that regard.

Mr. Erhart Regier (Burnaby-Coquitlam): If I may, I should like to ask the minister a supplementary question. Will the minister not admit that under section 91 of the British North America Act the parliament of Canada is responsible for the maintenance of law and order if a provincial government fails to act?

Mr. Harkness: As I believe the hon. member well knows, Mr. Speaker, the National Defence Act provides for assistance to the civil power in the event that it is requested by a civil authority. No such request has been received by the defence department.

TRANSPORT

CHAMPLAIN WATERWAY—REFERENCE TO INTERNATIONAL JOINT COMMISSION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. In his absence last week I directed a question to the Prime Minister which was to this effect. I was interested in view of certain statements which had been made at the Canada-United States interparliamentary committee to the effect that Canada had not yet officially asked the international joint commission to deal with the Champlain waterway cut-off, in learning whether the Prime Minister was in a position to answer the question or make a statement to that effect.

The Prime Minister said that the reply had better await the return of the Secretary of State for External Affairs. I wonder whether the Secretary of State for External Affairs would advise the house whether the information we received in the committee was accurate, and whether or not this matter has now been referred to the international joint commission for consideration.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the hon. member will recall that on January 22 the Prime Minister told the house that the United States government had been informed of the Canadian government's desire to submit this matter to the international joint commission, and of its willingness to have this done by means of a joint reference of the two governments.

The matter has not yet been referred to the international joint commission. We are working on the reference, and it is hoped that it will be made in the near future. When it is, the house will be informed.

COAL

NOVA SCOTIA—FEDERAL-PROVINCIAL MEETING ON MINE CLOSINGS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, may I direct a question to the Minister of Mines and Technical Surveys. Now that the minister has been allowed 24 hours in which to give the matter due consideration, is he prepared to report to the house on the meeting which was held yesterday with Premier Stanfield and representatives of the coal industry of Nova Scotia?

Mr. MacInnis: They failed to show up again.

Hon. Jacques Flynn (Minister of Mines and Technical Surveys): Mr. Speaker, I thank the hon. member for the delay. I could have told him the same thing yesterday, however; that the Minister of National Revenue, the Minister of Forestry, the Minister of Labour, myself and members of parliament from the area concerned met a delegation headed by the premier of Nova Scotia and including two of his cabinet ministers, representatives of the coal industry and the U.M.W., members of the clergy and mayors of the municipalities of the area; in connection with the proposed closing of No. 16 colliery.

The meeting lasted three hours. The representatives made a very forceful plea, but in a most reasonable manner, to obtain from the government the continuance of the operation of No. 16 colliery. Needless to say, the government will consider these views in the most sympathetic manner, and a decision will be taken as soon as possible.

CANADIAN BROADCASTING CORPORATION

WINGHAM, ONT.—REQUEST FOR ASSISTANCE TO STATION DAMAGED BY FIRE

On the orders of the day:

Mr. W. M. Howe (Wellington-Huron): Mr. Speaker, I have a question for the Minister of National Revenue. Is the minister aware of the explosion and devastating fire that took place at the CKNX television and radio station at Wingham this morning, and is the government doing anything to assist this very important news and entertainment medium in western Ontario to carry on its operations?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the hon. member was good enough to telephone my office this morning with respect to this matter, and I was able to make some inquiries of the corporation. I can advise him as follows. As he has informed the house, the fire this morning destroyed the Wingham television and radio establishment, wiping out the studio facilities, but the transmitter is intact. The C.B.C. has been requested to try to supply equipment to fill the void pending the repair and reconstruction of their equipment.

The C.B.C. is trying to arrange for a direct feed to Wingham from either their Toronto telecine or Meridian studios. It is not expected that they will be able to loan telecine equipment to Wingham. They are definitely able to assign a mobile video tape cruiser, with one camera, and a one camera field set-up with camera control and audio facilities. The C.B.C. is endeavouring to locate a two or three camera mobile unit which can be assigned, and which will be assigned as soon as it can be located.

INQUIRIES FOR RETURNS

On the orders of the day:

Hon. Noel Dorion (Secretary of State): Mr. Speaker, yesterday the hon. member for Skeena inquired during orders of the day as to the progress being made toward satisfying an order for return arising out of a question of his, which question I assume from his description was No. 119.

I am informed that the consent of the province of British Columbia to the tabling of this information was necessary. This consent was received only this week, and I expect the return will be tabled in the next day or two.

(Translation):

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to put a question to the Secretary of State. Could he tell me when the return will be available which was ordered by the house with regard to the correspondence between the Minister of Transport, Quebecair and other people?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I am glad that the hon. member reminded me of the question he asked on that matter. This will enable me to make further inquiries. I shall do my utmost to provide him with a reply very shortly.

(Text):

CITIZENSHIP AND IMMIGRATION

AVAILABILITY OF LISTS OF PERSONS RECEIVING CITIZENSHIP

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration, and inquire whether in her department or in the minister's office lists are prepared of the persons who have received citizenship, on a weekly basis; and if so, whether those lists are available to anyone outside the department.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, the hon. member should inquire within his own political party. He will find that both in Toronto and Montreal representatives of his party are securing this information from the local courts.

Mr. Pickersgill: Mr. Speaker, I asked the hon. lady a question as to whether or not—

Some hon. Members: Oh, oh.

Mr. Hees: You received your answer.

Mr. Speaker: Order. The hon. member has the floor. I cannot ascertain whether or not he is using it properly unless other hon. members will listen. Will the hon. member repeat his supplementary question?

Mr. Pickersgill: Mr. Speaker, I asked the hon. lady—

Mrs. Fairclough: Mr. Speaker, I do not think it is necessary for the hon. gentleman to ask the question again. It is true I did not answer it. The answer is no.

Mr. Pickersgill: The answer is no.

Some hon. Members: Oh, oh.

Hon. Paul Hellyer (Trinity): Mr. Speaker, I wish to direct a supplementary question to the minister. Can the minister inform the house how records of those obtaining citizenship at Hamilton and London, which are not available to the Liberal or other political parties, are available to the Progressive Conservative Association of Canada?

Mrs. Fairclough: Mr. Speaker, I presume they obtain the information in the same way the Liberal representatives obtain it at Toronto and Montreal.

Mr. Hellyer: They refuse to make it public, and you know it.

Mrs. Fairclough: Mr. Speaker, I saw the article to which the hon. gentleman refers.

Some hon. Members: Oh, oh.

Mr. Pearson: Discrimination.

Mrs. Fairclough: I saw the article in this morning's newspaper. The gentleman who says he went to the office at Hamilton and was refused is not fully representing the facts as they are.

Mr. Hellyer: What are the facts?

Mrs. Fairclough: That he never even called at the office.

UNEMPLOYMENT INSURANCE

BRITISH COLUMBIA—PROVISION OF BENEFITS FOLLOWING DESTRUCTION OF POWER LINE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Acting Minister of Labour or the parliamentary secretary.

In view of the recent bombing of the power transmission facilities of the Consolidated Mining and Smelting Company on Kootenay lake, which will cause over 1,000 employees to be unemployed for a period from weeks to months, and in view of the fact that the union and company have made satisfactory arrangements to distribute employment as fairly as possible, would the minister assure the house that the unemployment insurance commission will co-operate with the union and management with respect to unemployment insurance benefits and by providing the staff required to service these unemployed persons so they will suffer no inconvenience?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, I will be very happy to bring the hon. member's suggestion to the attention of the commission.

Inquiries of the Ministry

HEALTH AND WELFARE

REQUEST FOR EXTENSION OF MEAT INSPECTION SERVICE

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Acting Minister of Agriculture or to his parliamentary secretary. In view of the recent series of outbreaks regarding the sale of meat unfit for human consumption in various sections of the country, is the Department of Agriculture prepared to meet the requirements of additional staff needed to provide adequate inspection service as provided for under the Meat Inspection Act?

Mr. John Charlton (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, this matter is being given every consideration by the department, and I am sure it will be looked after.

Hon. Paul Martin (Essex East): A supplementary question, Mr. Speaker. Will the Minister of National Health and Welfare tell us whether he thinks his staff is sufficient to do the policing job required in the circumstances?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, as was indicated by the hon. member for Gloucester, this is really a responsibility of the Department of Agriculture, inspecting the quality of meat.

Mr. Martin (Essex East): But is it not a fact that the Minister of National Health and Welfare regards this as his responsibility as well, and has already taken some action in this matter, belated as it is?

Mr. Monteith (Perth): Mr. Speaker, this practice apparently had been going on for many years under the administration of the previous minister, and this minister actually did take action.

INDUSTRY

DOMINION TAR AND CHEMICAL CO.—ESTABLISHMENT OF PLANT IN U.K.

On the orders of the day:

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, in my absence the hon. member for Laurier asked a question regarding the location of a branch plant in the United Kingdom by Dominion Tar and Chemical Company. In answer I would say that for a very long time Canadian firms that wished to locate branch plants in other parts of the world have been quite free to do so, just as branch plants are often located in Canada by firms that have their head offices and main operations in other countries of the world.

I might say that this government and my department take great pains to encourage companies located in other parts of the world to establish branch plants here in Canada, thereby providing employment for Canadians.

(Translation):

FLOODS

BEAUCEVILLE, QUE.—REQUEST FOR ARMY ASSISTANCE

On the orders of the day:

Mr. Theogene Ricard (Parliamentary Secretary to the Prime Minister): Mr. Speaker, I should like to ask the Minister of National Defence a question. Has the federal government received a request for assistance from the government of the province of Quebec concerning floods caused by the Chaudiere river at Beauceville? If so, what action is the national defence department contemplating in that regard?

(Text):

Hon. D. S. Harkness (Minister of National Defence): Yes, Mr. Speaker. A request for assistance was made yesterday by the province of Quebec to the Canadian army, and a state of emergency has been declared in view of the fact that the Megantic dam on the Chaudiere river is in danger of breaking owing to ice conditions, which could result in the town of Beauceville being flooded.

A full reconnaissance of the ice conditions is taking place, and it is expected that this will be completed by approximately three o'clock this afternoon. It is planned to blow up the ice, and to have a force of approximately 75 all ranks stand by on twelve hours' notice for further operations if required for the following reasons: (a) to observe ice conditions and use further explosives, (b) to assist in evacuating threatened civilian population if the situation makes this necessary.

WEIGHTS AND MEASURES

SUGGESTED CHANGE TO METRIC SYSTEM

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Has the minister noted the endorsement of the Canadian conference on education that Canada should change its system of weights and measures from the English system to the metric system? If so, does he propose to introduce such a measure in this house?

Hon. George H. Hees (Minister of Trade and Commerce): Yes, Mr. Speaker, I noted with interest the article referred to by the hon. member.

Mr. Hellyer: Are you impressed?

PENITENTIARIES

BRITISH COLUMBIA—REQUEST FOR CONSTRUCTION IN FERNIE AREA

On the orders of the day:

Mr. M. L. McFarlane (Kootenay East): I should like to ask the Minister of Justice whether consideration has been given to our request for the construction of a penitentiary in the Fernie area. We have been very much interested in this project for a long time. In view of press releases in a Calgary paper recently, I felt that the penitentiary was going to Alberta.

Mr. Speaker: Order. I am not sure about the urgency of the question. From what we have heard earlier today, perhaps it is an urgent matter.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, no final decision has been made as to the actual site of a new penitentiary in western Canada, although I think I can safely say that one is imminent. In the consideration so far given and in the final consideration to be given I can assure the hon. member that the qualifications and interests of Fernie in having an institution located there have been and will be fully borne in mind. Even if I were inclined to overlook or forget that point, it would not be possible in view of the constant and urgent representations made by the the hon. member.

TRADE

EUROPEAN COMMON MARKET—REPORTED STATEMENT BY BELGIAN MINISTER

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Minister of Trade and Commerce whether he has any comment to make on a reported statement of the Belgian trade minister yesterday to the effect that he was happy to be able to say that the common market would study the possibility of arrangements for an enlarged European Common Market which would preserve the objectives of the present community.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I would not want to comment on any statements made by the minister from Belgium. We had a most useful talk lasting for over an hour, and a great many matters of mutual interest and concern were discussed. As these conversations were private, I would not want to comment on them at this time.

Mr. Pearson: Is it not a fact that the Belgian minister in question informed the Minister of Trade and Commerce of the point I have just made, namely that they would be happy to see the European common market enlarged at this time?

Mr. Hees: Mr. Speaker, I said that we discussed a great many things. I do not intend to discuss with the Leader of the Opposition what passed between us at this conference. It was a most illuminating and useful conference held between two ministers.

Mr. Pearson: Will the minister then state that this report is inaccurate?

Some hon. Members: Oh, oh.

Mr. Hees: I have tried to tell the Leader of the Opposition three times, Mr. Speaker, that I did not intend to state anything.

Mr. Pickersgill: That is right.

PUBLIC SERVICE

EXTERNAL AFFAIRS—COMMENT ON CRITICISM OF OFFICIALS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Prime Minister or the Secretary of State for External Affairs whether they have received any public complaints about criticisms made of past performances of the officials of the Department of External Affairs by the hon. member for Bow River and the hon. member for Middlesex East?

Mr. Speaker: Order. I rather think the question is not one of such significance and urgency that it would warrant being asked on the orders of the day. It would open the door to asking questions about members' outside speeches. That would leave considerable scope for members who have not any other questions to ask.

Mr. Fisher: I should just like to make one point in relation to this matter. I was asking whether the minister or the Prime Minister had received any public complaints—that is complaints from the public of Canada—with regard to the substance of the criticism. I am not asking for information on the criticisms themselves. I suggest that from indications in the press there is great interest in this matter.

Mr. Speaker: Do I understand the hon. member to be talking about complaints before the hon. member for Bow River made his statement?

Mr. Fisher: No; complaints with regard to the statement.

Mr. Speaker: Perhaps that question could be permitted, whether the Secretary of State for External Affairs has had anything since the statement in question was made.

Mr. Walker: Perhaps the hon. member for Port Arthur is today preaching for a call.

Some hon. Members: Oh, oh.

POST OFFICE DEPARTMENT

GAMBO, NFLD.—REQUEST FOR ESTABLISHMENT OF SUB-POST OFFICE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Postmaster General whether, in view of the imminent transfer of the historic post office from Gambo to Dark Cove, Newfoundland, he would give consideration to the establishment of a sub-post office in that historic place, which has had a post office for 60 years.

An hon. Member: Order paper.

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, in the course of a year I must receive several hundred representations with regard to post office establishments. If each hon. member displayed the lack of consideration just displayed and raised the matter in the house, we would never get any business done at all. If the hon. member wishes to write me about the matter or put a question on the order paper, I shall be glad to look into it.

Mr. Pickersgill: Mr. Speaker, on the point of order raised by the hon. gentleman, I submit that this is one of those urgent and exceptional matters that arises very rarely, and as a member who presided over—

Mr. Speaker: Order. I did not understand the minister to be raising a point of order but rather to say that he could not undertake to answer questions of that kind generally in the house. In other words, an answer was given. It is not customary nor allowable for members to debate the sufficiency or otherwise of an answer. If there is a supplementary question it is permissible. However, it is not permissible to debate the sufficiency of the answer.

Mr. Pickersgill: I should like to put a supplementary question to the minister. Does the minister realize that this is not a usual situation but is rather a most exceptional situation, and will he give it careful consideration?

[Mr. Speaker.]

Mr. Hamilton (Notre Dame de Grace): Each one of the hundreds is given careful consideration.

SUPPLY

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

DEPARTMENT OF EXTERNAL AFFAIRS

625. Canada's civilian participation as a member of the international commissions for supervision and control in Indo-China—further amount required, $100,000.

Mr. Benidickson: Mr. Chairman, I do not want to participate in a debate on this item but, rather unusually, we have played a bit of hopscotch in connection with the items in these estimates.

Mr. Churchill: I have informed all parties.

Mr. Benidickson: Could all members of the committee be informed by the house leader as to the likely order in which the various departments will be taken up?

Mr. Churchill: We will start with external affairs.

Mr. Benidickson: What follows?

Mr. Churchill: Then the Department of Forestry, which was just about completed the other day, then citizenship and immigration, and after that we will carry on in the order in which they are in the further supplementary estimates.

Mr. Benidickson: Thank you.

Mr. Martin (Essex East): Mr. Chairman, we have not had from the minister a report on the situation that prevails in the countries covered by the three international commissions for supervision and control, in South and North Viet Nam, Cambodia and Laos. The minister will recall that toward the close of the last session there was some discussion on his estimates about developments in Laos and particularly with regard to the reactivated international commission on which Canada, along with Poland and India, serves.

At that time the minister expressed an optimistic note. He said that notwithstanding difficulties that had prevailed from the month of January, 1961 up until the summer of 1961, he was confident that the situation in that particular section of old Indo-China would evolve in a manner that did not warrant some of the apprehensions that I and several other members affirmed. I am sure that on this item the minister will want to bring the house up to date as to the situation in Laos.

The position taken by the United States, the United Kingdom and the Soviet union,

along with lesser powers, was that there should be established in Laos a government that would be truly neutral in character. That seemed to be one of the ways, it was thought at the Geneva conference, by which stability and peace could be provided for this area. As we all know, however, notwithstanding the apparent agreement to establish a government under the former prime minister, notwithstanding the meeting of the three royal princes including the present prime minister of the government of Laos, the former prime minister, Souvanna Phouma, and the leader of the Pathet Lao, since last summer there has been no disposition by these three gentlemen to effect conditions which would have permitted the establishment of a truly neutral government, along lines envisaged by the United Kingdom and the United States.

I am not saying that it will be possible to establish a truly neutral government because of the incursions that have taken place in Laos by guerilla activity emanating from certain communist lands. Canada, however, has a very important stake in the outcome of events in Laos. The reactivation of the truce supervisory commission, which adjourned *sine die* over a year and a half ago, was effected to determine whether pursuant to agreement, there had been in fact a cease-fire between the Pathet Lao forces and those of the royal government. Since the beginning of the time Mr. Mayrand as our representative on that commission took over his functions in Delhi, prior to going to Laos, there have been skirmishes and conflicts between the opposing forces. It would be interesting to know what progress the commission has been able to make in determining in fact whether there has been a cease fire and whether in fact the commission has been able to fulfil the functions for which it was set up a second time.

It would also be of value to hear from the minister if the material shortage situation continues. When we discussed this matter last there was not provided to the commission, as I recall, necessary air equipment to enable the commission to discharge its functions effectively. These and other questions perhaps better known to the minister, will be of interest to the house and to the country. We would appreciate having from him a report with regard to the commission in Laos. What is to be its likely tenure? How effective has its work been?

I am not suggesting that it has not been effective, nor am I suggesting that the commission has not made every endeavour to make a useful contribution to the situation which prevails in an area adjacent to which are such nations as Cambodia, South Viet Nam, Thailand, Burma and other countries in south and southeast Asia, all of which have a direct involvement. It would be interesting to know whether the minister believes that the evidence is that the Soviet union has made every endeavour to co-operate along the lines originally agreed on, and if the difficulties which have arisen come from another communist nation and not from the Soviet union.

Then, of course, on this item we would want to hear from the minister as to the situation with regard to the commission in Cambodia. There relative peace prevails but, as we know from earlier discussion, the obligations of the commission in that little country have not been great in the last four or five years. One could successfully argue, I think, that the commission there might well have been disbanded. However, there were good reasons, I believe, for continuing the commission, reasons essentially exemplary, because of the situation that attends the government of Laos and of South Viet Nam. I take it that although the commission continues to be in existence in Cambodia, there has been no successful resistance to the contention of Canada that it should not concern itself with boundary matters.

Then there is the third commission in South Viet Nam. In the last four or five months we have been hearing a good deal about South Viet Nam. We are told that this has become a very critical area, in which the United States, through its president and secretary of state, has indicated a deep concern and interest. It is a country into which are flowing military contributions, materiel and personnel, to assist directly or indirectly the government of President Diem against infiltrations and attacks originating within and more particularly from North Viet Nam.

Now, certainly when this commission and the other two commissions were established in 1954, as a result of the Geneva accord, it was not envisaged that the responsibilities of the three participating countries on the commission would have as extended a period of operation as has proved to be the case. I am sure we will agree with the minister's statement last summer, and with similar statements made by his predecessor earlier, that these three commissions have served an important and steadying purpose at the time they were established. They continued to provide a measure of stability and peace in all three countries. But it is a fact that in 1956 the situation had so developed in at least two countries, South Viet Nam and Cambodia, that there was some reason for Canada to anticipate that the period of the commission's usefulness was perhaps approaching an end, although in the case of Laos I believe

the position of Canada, notwithstanding the wish of the royal government, was that the commission had not yet fulfilled its purpose.

Canada is represented on these commissions. It has a civilian representative in South Viet Nam, as in the two other countries. There are military personnel, I do not know to what extent, in all three countries. Perhaps the minister will inform us about this. In any event we have a considerable number of Canadians serving in the cause of mediation and the cause of peace in these three countries. It would be interesting, because of the continued and disturbing internal conflict which prevails in South Viet Nam in particular, to know what the attitude of the Canadian government is with regard to this situation, particularly with regard to the operations of the commission in South Viet Nam. It would be interesting to know the significance of the recent bombings of the palace in Saigon.

Many people suggest that the situation there is second only in importance, in so far as the peace of the world is concerned, to the situation in divided Germany. Whether that is the case, we are participating in the commission in South Viet Nam. We have a duty, and I think the minister would recognize this, to ask what is his view as to developments. What are our reactions to the recently declared policy of the government of the United States in its desire to assist, by way of paramilitary power, the forces of the government of South Viet Nam? The committee will expect the minister to make a report on these three commissions because we are participating in them. We have many Canadians participating in the work of these commissions, in one way or another. We are spending considerable sums of money, and properly so, to help maintain these three commissions in an area of the world, so far removed. All of this indicates the interdependence of nations in this period in which we live, and the attendant responsibilities of peace loving countries like our own toward situations that exist in other parts of the world.

Mr. Regier: I believe every member of this house is extremely proud of the work that Canadians have been doing within recent years in southeast Asia. I believe there is no member of this house who would dare to vote against the request of the government for an additional $100,000 in the supplementary estimates in order to pay for our participation in the commission in Indo-China. I am inclined to believe, Mr. Chairman, that if it had not been for these commissions in recent years, the history of this portion of the world would be entirely different from what it now is. I believe they have a steadying and a pacifying influence in the area.

We are all aware of the fact that the commission is made up of representatives of one nation that is ordinarily labelled as being within the communist bloc, one western nation, namely our own, and another more or less neutral nation in the ideological warfare between the two major power blocs. I think Canadians ought to take a great deal of pride in what must be often a heart-breaking and frustrating task assigned to our people who are serving on the commission.

I am a little disturbed by the attitudes and even the activities of our good friend, neighbour and ally, the United States of America. I would hope that whereas we always welcome any advice that our good friend, neighbour and ally the United States decides it may wish to give us, that it may also be receptive to a bit of advice, on occasion at least, which we may give. I realize we are not a big nation like the United States, but I would hope they would be willing to lend an ear to expressions by the Canadian people. Most of us have been led to understand that an agreement, at least in principle, had been more or less arrived at between the warring factions in Viet Nam a considerable time ago. One cannot help, after reading the United Kingdom and Canadian press, but have the feeling that the United States of America is not, in spirit, really living up to the terms of that agreement in the policies that it is pursuing.

This is my whole plea. I feel that the Canadian government ought to use its good offices to appeal to the United States to do what it can to remove the appearance it has created, whether accidentally or by deliberate design, of preventing the implementation of the spirit of the agreement that has been recently concluded.

There seems to be a feeling that we can defeat the communists in Viet Nam by guerrilla counter attack. In this respect I would like to quote an article which appeared in last month's issue of the *Atlantic Monthly* entitled "The limits of defence." written by Arthur I. Waskow, who served as legislative assistant to a congressman from Wisconsin until a year ago. In analysing the situation, as printed at page 84 of the magazine, he says:

> Successful guerrillas are not merely underground soldiers in an alien land. They need the support of the population and get it by demanding, or pretending to demand, social and economic reforms that would benefit the population around them. If the United States is prepared, with huge amounts of economic aid, to support social revolution even against western business and political associates in the local governments, it is not necessary to send commando fighters. If we refuse to support

basic social changes, sending commandos will not stop communist guerrillas, because our commandos will not get popular support.

The other attitude that seems to be adopted far too frequently in the western world is that we might be able to use the principle of a military deterrent in this part of Asia. On that Mr. Waskow has this to say, as recorded on page 85 of the magazine:

An attempt by the west to meet this dilemma by matching the Sino-Soviet alliance in sheer numbers of men under arms would be disastrous. The effect would be that of permanent limited wars, like those in Korea and Algeria, limited in the amount of violence allowable, so that no victory could be won, but seemingly unlimited in the length of time they might last. During these wars, the United States and France each experienced great pressures at home against keeping the war limited, and also great pressure against democratic civil liberties. During the three short years of the Korean war, the United States had to deal with MacArthurism and McCarthyism. What would be the effect of 25 or 50 such years?

In the very short run, the balanced deterrent would undoubtedly be safer than a counterforce strategy, but it would only be useful as a way of getting the time to move to new solutions.

I would like to think that the Canadian government was doing its utmost to persuade our alies in Washington that a long term program or social change in southeast Asia is the only solution, and that guerrilla warfare and the deterrent of large numbers of armed personnel are not the long term answer, even though the deterrent may give us the time in which to work out the social changes needed.

I am not criticizing the attitude of the Canadian government in any way, shape or form. I believe we have been most useful in the past in this area of the world and, by the very nature of the request now before us, I know it is the intention of the government to continue to be a positive force in that area. I would only like to plead with our government to use its good offices to request a hearing in Washington with the end in view that we would not wind up with another Korea, Algeria or Congo situation in this part of the world.

Mr. Green: The part which Canada has been and is playing in former Indo-China is a good example of the very large field we have in peace keeping activities, and this is one of the most useful types of work our nation can do. We are called on frequently for work of this type, and no country has a larger number of trained personnel in its departments of national defence or external affairs than Canada to undertake work of this kind.

I shall deal first with the situation in Laos. That can be divided into two different sectors. First of all there is the 14 nation conference which has been in session at Geneva for practically 10 months. When I say "14 nations" I mean there are 13 national delegations there plus a triple delegation from Laos, one representing the group which is pro-western, one the group which is pro-communist, and one representing Souvanna Phouma who is the head of the neutralist group in Laos. As I say, we have this three-headed Laotian delegation in Geneva and by a process of patient negotiation, which has involved compromise on both sides, the representatives at Geneva have reached virtually complete agreement on arrangements to replace the 1954 general agreement for Laos.

While the issue is still in the balance it would not be helpful for me to attempt any detailed assessment of the results of their efforts, other than to say I think these results have been excellent, and they may well have set the standard for the disarmament negotiations which are to commence next week.

Canada's part of course has to do with the terms of reference for the international commission which will have to carry on in Laos after the conference in Geneva is ended. The primary role of our delegation has been to try to ensure that these terms of reference are such as to enable the commission to operate effectively in support of an internationally agreed settlement. However, an international agreement aimed at securing the independence, territorial integrity and neutrality of Laos presupposes an accepted and generally recognized government of Laos sharing these objectives and prepared to co-operate in bringing them about.

As hon. members know, each of these three factions in Laos is led by a prince, and the meetings which have taken place between the princes have not yet resulted in the formation of a government for Laos, although I am hopeful that result will be achieved fairly soon. Time, of course, does not seem to mean a great deal in the Orient. They have a meeting and then decide to adjourn for two or three weeks or a month, and then after much effort they meet again and the same process is repeated.

There has been some small narrowing of areas of disagreement, and Souvanna Phouma, who is the leader of the neutralist group, continues to show patience and perseverance in his efforts to complete the task of forming a unified government acceptable to all three parties. Mind you, until there is agreement on a government for Laos the conference in Geneva cannot complete its work. I think it would finish up very quickly once agreement had been reached on a government for this unhappy country.

Then I turn to Laos itself. There the international truce supervisory commission has been functioning as best it can. It has not been permitted to visit any of the scenes

of real fighting, and no proper arrangements have been made for providing it with equipment under its own exclusive control, but I think the very fact that this commission is in Laos has greatly reduced the amount of fighting taking place, and I believe that if the commission had not been there there would have been a great deal more serious trouble than we have at the present time.

The head of the Canadian delegation is Leon Mayrand, who is our ambassador to Italy. He had done a splendid job; I do not think any Canadian could have done finer work than Mr. Mayrand has done. There has been fighting from time to time. There are protests made to the commission, sometimes protests from both sides, and then the fighting stops there and starts somewhere else. It goes on in this way, but nothing very serious has occurred as yet. I think that all the countries represented at the conference in Geneva on Laos really desire to see that country set up as a neutral state and to see the fighting stop. I think they all believe in the effectiveness of the international control commission, of which India is the chairman and Canada and Poland are the other two members. I cannot make any promises, because you never know what is going to happen—we learned that the hard way—but in any event there has been no starting of a third world war in Laos, and I think there is a reasonable chance that a settlement will be worked out. At the moment it all depends on these three princes.

With regard to Cambodia, this country is truly neutral and they have had very little trouble. The government of Cambodia is anxious that the truce commission should remain, otherwise I think—as the hon. member for Essex East said—that particular commission might well be disbanded, but we do not like to move to have it disbanded when the Cambodian government is anxious that it should remain. They express this desire from time to time, and I think Prince Sihanouk, who is the head of the government in Cambodia, has handled the affairs of that country extremely well. He attended at Geneva in May when the conference on Laos was opened, and he made the opening statement with what I thought was a very statesmanlike speech. He is a leader who is very well qualified and, as I have said, there is no really serious trouble in his country.

The situation in Viet Nam is a great deal more difficult. As hon. members know, in North Viet Nam and South Viet Nam the commission has jurisdiction over both separate countries. I think it would be unfair to single out the United States for blame in respect of the situation in South Viet Nam. The provocation, in my judgment, has come from North Viet Nam. There have been troops infiltrating from North Viet Nam, and I am certain that the communists have been at the root of most of the trouble in South Viet Nam.

Mr. Regier: I agree with that.

Mr. Green: There has been some very nasty guerrilla warfare going on there, with officials murdered, villagers blackmailed, villages destroyed, and all this sort of business, and the main blame for the trouble in South Viet Nam rests squarely on the shoulders of the communists—

Mr. Regier: I agree.

Mr. Green: —and not on the United States at all. Any action the United States has taken has been in a measure of defence against communist action. There the commission has many complaints from both sides. It does its best to examine these complaints. There is quite a long list of them now which have not yet been examined. I cannot say what will happen in South Viet Nam, or in North Viet Nam either for that matter, but here again Canada is playing her full part in restraining people and in trying to work out a solution to these internecine quarrels.

We have, of course, very many ways of discussing questions like this with the United States on a friendly basis, and questions such as Viet Nam are discussed practically daily with the state department. We will do what we can to urge moderation on everyone. Here again we will just have to hope that in the end a settlement can be worked out. It is not going to be easy; it may take a long time. I do not see any prospect of Canada being able to leave the Viet Nam commission at an early date, but as I said in opening, this is an area in which Canada is making a great contribution in the way of peace keeping activities and I think it is one of the finest contributions that has been made.

The hon. member for Essex East asked for the numbers of personnel involved. In Viet Nam there are four foreign service officers and eight on the administrative side, for a total of 12. In Laos there are three foreign service officers and three in administration, for a total of six. In Cambodia there are one foreign service officer and two on administration work, for a total of three. The military representation as of October 16 last is Viet Nam, 27 army officers, 26 other ranks, for a total of 53; two R.C.A.F. officers and two Royal Canadian Navy officers. In Laos there were 14 army officers and seven other ranks for a total of 21. Apparently there was also provision for one other officer and two other ranks in Cambodia, but these positions are not filled under present circumstances.

Mr. Martin (Essex East): Mr. Chairman, perhaps I may be allowed to make one further observation on what the minister has said, and to recall to him the attitude I took and the words I expressed when we discussed this matter in the house on September 11, 1961.

One appreciates, of course, that Canada as a member of these various commissions cannot on that account be expected to accept responsibility for solutions that rest with other powers. But we are on these commissions and we have an obligation to discharge. I know we are fulfilling that responsibility to the best of our competence and ability within the opportunities provided. It seems to me that we have the right to expect a more realistic appraisal of the consequences of the developments that are taking place not only in South Viet Nam but in Laos as well.

It is worth recalling that as late as 1956 the view was put forward that the policy of certain powers in the west toward Laos in particular was not a practical and wise policy, under the conditions that then prevailed. To have insisted upon a partisan government at that time was not a practical and wise policy. It is now agreed that there should be a government that is truly neutral.

I find it difficult to believe in the light of conditions that have prevailed since last January and in the light of the conflict among the three competing forces for government—the present royal government and the two other personalities involved, either in coalition or separately—that we can anticipate that there will be in fact a truly neutral government, because of aggressive intentions on the part of communist China in particular. We can only hope that a neutral government will result and that it will be able to work out conditions for the betterment of the people in that little Indo-China nation.

I believe we have the right to expect from our Secretary of State for External Affairs a wide appreciation of the situation as he sees it, not only in terms of the moment but as well of the future. If it is a fact that this is a theatre which might well occasion trouble extending far beyond south and southeast Asia, surely then this is a matter of great concern. The time for us to face the matter is now rather than wait until ominous events happen. We must at least try to anticipate what could happen, and discuss dispassionately and understandingly what steps might be taken to avoid eventualities prejudicial to the maintenance of peace.

On September 11, 1961 the minister took issue with me when I said as reported at page 8185 of *Hansard*:

> —it seems to me we ought to take a very realistic view of what is happening in the whole of Indo-China. While there may be a declaration of agreement on the question of the kind of neutrality that is to prevail regarding government in Laos, it would surprise me very much, in view of the record there and the infiltrations that are taking place via North Viet Nam and from across the Chinese-Burma border, if we can conclude that there have as yet been placed before us those guarantees which would give us the conviction that the solemn undertaking of those ideologically opposed to us will be observed. However, only time will tell.

The minister in commenting later, at page 8185 of *Hansard*, expressed the view that I was unduly pessimistic. Then he went on to express words of optimism which I do not believe were warranted at that time. I do not believe the minister on that occasion gave us justification for the optimism he expressed. I know the minister is optimistic by nature. Possibly he felt it would be better to create the impression that the situation was not a hopeless one by any means. There could be a very good argument for this attitude. As I see the situation, however, this is an area where the friction is of a character that must cause great concern not only to the minister and the government but to all of us.

Canada as a member of the commission will wish to be able to have an assessment made of her present and future role in a way that will warrant the belief that we have done everything we could to avoid any situation which the future might prove to be of the greatest concern. I am sure we are doing everything we can. But are we not entitled to an assessment from the minister as to what lies ahead? Will there be a truly neutral government, or will it be a tool of aggressive powers that intend to violate the peace of the area? What are the implications of this for us? What is the attitude of the present government toward the operation of the commission? Is the commission able to fulfil its functions? Is it able to accomplish the mandate given to it? If not, why not? Are there obstacles still being placed in its way as was the situation last September when, as the minister indicated, necessary military equipment was not made available?

The situation with regard to Viet Nam is no less difficult. It is much more serious. What is the attitude of the government of South Viet Nam to the commission? As a member of the commission do we have access and has the commission access to the territory in North Viet Nam? Do we have contact with the governing bodies in North Viet Nam? The minister said our role would be to do all we could to provide a balance between the discordant elements. I am sure the minister was sincere when he said that. I am sure Canada

does take that position. I merely ask whether the opportunities are present for us to be able to exercise on all sides the influence implied in the minister's assurance that we would do everything we could to pacify the competing forces.

These are some of the questions in the minds of all of us as we read from day to day of the continuous conflict, a conflict that is being assisted by outside participation, providing thereby for a situation which I think demands on the part of the minister the frankest possible statement that he feels he can make in respect of situations which we are led ot believe and which our own judgment suggests are calculated to bring about serious and dangerous provocations for widening conflict.

We in the west have often been accused of not facing situations, of always being behind events. Here is one situation that threatens. What can we do about it? What are we doing about it? What assessment is made of the situation by countries with which we have a close interest in the western world? This is the kind of comment I think we should like to receive from the minister today. We assume that Canada cannot rectify this question by herself. All the good will in the world on the part of the minister cannot rectify this situation. However, we are on these commissions. We are in this turbulent area where vigorous guerrilla warfare is now being carried on. It is a form of warfare which is intended to arrest the infiltration from the north into South Viet Nam. We shall not avoid these problems by refusing to face their consequences.

I am asking the minister now if he does not think that the seriousness of the situation —it is one which I thought was serious last summer, and it continues to be even more serious—is one that demands from the minister a more penetrating analysis, I was going to say, or a more penetrating report on the situation as he sees it. I think that is something which we are entitled to ask. Other governments have felt that it was their duty to give a much more detailed reply on events as they saw them than we have received today. These other nations may have a heavier responsibility. However, as the minister has often stated, although a smaller power our opportunity is not necessarily less on that account. That being the case, I think the minister possibly could give us a more definitive appreciation of the situation.

Mr. Green: I am very grateful to the hon. member for inviting me to enter into the field of prophecy. However, I am neither a prophet nor the son of a prophet. I find that it does not pay very big dividends to start prophesying when one is head of the Department of

[Mr. Martin (Essex East).]

External Affairs. What does pay dividends is not taking an attitude that any situation is hopeless. If the foreign minister adopted that attitude, it would be much better if he were in the Senate or somewhere else instead of being in this office. After all, there are serious situations in many parts of the world. Canada is involved in as many of them as any other middle power, and is playing a part which is as big as or bigger than the part played by any other middle power in these various areas.

What will happen in Indo-China in the final analysis will depend upon what red China decides to do, possibly on what the United States decides to do, and possibly on what some other large countries decide to do. However, we are able to exercise a good deal of influence on all these countries. From my experience at the Geneva conference on Laos I would say that no country represented there wants a world war started over Laos. I shall be greatly surprised if, with regard to Viet Nam, there is not exactly the same reaction. There may be all kinds of guerrilla warfare and troubles of one kind and another; however, I do not think red China wants a war started over any part of Indo-China.

So far as the western countries are concerned, there is in existence the SEATO pact. We are not a member of SEATO; however, I think the leaders of these other countries realize that it would be insanity to have a nuclear war break out as a result of anything happening in Indo-China. This is the main reason that I do not adopt the attitude that the situation there cannot be solved. My experience is that all the countries sitting in on the conference on Laos at Geneva desire to have that country really neutral and that they desire to have a condition in which a truce commission can function properly.

I would be the last one to assert that there are not many frustrating events happening in the work of the two commissions. I refer to the one in Laos and also the one in Viet Nam. We are not able to do all the things we should like to do. For one thing, there is a division on the commissions. The Poles are there representing the communist world, and often it just is not a situation where you can get agreement. Sometimes decisions are made on a majority basis. However, by and large, I think Canada's part in all three of these countries in former Indo-China has been very much worth while.

Mr. Pearson: The minister did not answer some of the questions that were addressed to him by my friend the hon. member for Essex East, as I understand them, about the powers and responsibilities of the commission, and the opportunity to discharge those

responsibilities, particularly in Viet Nam; whether they had had access to the northern or the communist part and, if so, whether they had had any opportunity, because of that access, to examine what was going on there. After all, these commissions were set up in conditions which were much different from those which exist now. They were set up to police a cease fire. However, they have taken on responsibilities—and I am certainly not complaining about this matter—which were never entertained when they were established.

I think they have discharged those responsibilities to the best of their ability, having regard to the fact that there is a communist, a non-communist and an anti-communist on each commission. Certainly the Canadian members of the commissions have discharged their share of the responsibilities in a manner that has done great credit to themselves and indeed to our country. Hence it is not a question of complaining about the work of the commission; it is a question of trying to find out whether, in new situations, these commissions, especially those in Viet Nam and Laos, which are the two that matter, have now an opportunity to do the job which is required in these new situations, or whether in fact these commissions can be used as a front behind which forces are at work which will not make for neutral countries in that area but for something much more dangerous. I am thinking of communist governments in these countries, especially in Laos, where the communist infiltration has gone very far indeed, backed by communist forces outside of Laos; forces now getting across the border into Cambodia. We know, of course, what the situation is in Viet Nam. It is a situation which is bound to arouse anxiety.

I think it is perfectly in order for us, without asking the minister to prophesy what is going to happen in the future, to find out whether the commissions can in fact do the job which they are required to do in these circumstances. The minister said that he does not intend to be a prophet. I think he is very wise in not attempting to be a prophet. However, the minister very often—and he is not being criticized for this fact—has prophesied optimistically about what would happen in respect of this situation. We hope his optimism will be justified. He was optimistic about the situation in Laos, Viet Nam and Cambodia when we last debated this subject. But that situation certainly has not improved. I hope it has not deteriorated to a point where it can become a real danger to peace in the world.

The minister said that what optimism he has is based on the fact that as a result of his experience at the conference at Geneva it is his opinion that all members of that conference—I hope I am not misquoting him, because I am certainly paraphrasing—sincerely desired a neutral Laos, a neutral Cambodia and presumably a neutral Viet Nam; that they are countries which could be isolated and insulated from the cold war.

Mr. Green: I did not say anything about a neutral Viet Nam.

Mr. Pearson: Well, a neutral Laos and a neutral Cambodia. But it is hard for me to believe that the Chinese communist representative at this meeting was really anxious or even willing to have a neutral Laos. If that were the case, it is hard to understand the support that the Chinese communist government is giving to the Pathet Lao forces which, as I see it, are trying to prevent a neutral Laos and trying to set up in that country a communist state or a state which will be allied to the Chinese communist empire.

Similarly in Viet Nam, as the minister has said—and it has been said by others—the force mainly responsible for the civil war, because it is civil war, is the intervention of Chinese communism in that area. That is the main force behind the intervention that is causing the trouble. I am sure that is true. You have the Chinese communists supporting one faction in Laos. You have the Chinese communists supporting the communist side in North Viet Nam. You have these North Viet Nam forces now facing South Viet Nam which has been very actively, and understandably in view of the situation, supported by the United States of America.

It may well be, I am sure it is the case, that no one at the Geneva conference and perhaps no one in this area of the world wants a world war to start over Laos or Viet Nam, any more than people wanted world war II to start over Danzig. But you have a situation now where you have two parties to the cold war, the Chinese communist empire and the United States, facing each other, one in South Viet Nam and the other in North Viet Nam. That is a danger to peace. Perhaps no one wants this situation to develop into a world war, but on the other hand perhaps the Chinese communist regime wants a united communist Viet Nam. It is certainly operating for that purpose.

To what extent then are the forces on the southern side in South Viet Nam, willing to fight to resist that kind of penetration. In that fight what is the nature and extent of the United States intervention going to be? I read the other day—this has been stated in Washington and I do not think it is any secret, because the United States has given a great deal of information recently about its activities

in Viet Nam—that there are about 4,500 United States troops operating there. Ostensibly they are there to train and help to equip the South Viet Nam forces who are defending their country against civil invasion from the north. But training intervention of this kind is gradually shifting to more active intervention in operations. Surely this is a dangerous position. I do not know whether greater danger can be avoided; I hope it can.

I am not at the moment criticizing the United States for the shifting nature of its intervention. This may well be required unless the United States is willing to abandon its friend, President Diem, and the government of South Viet Nam. In that regard however, our anxiety is increased by the fact that the popular base of support for the government of South Viet Nam is not very deep or broad. At least there have been indications recently that the position of the government there, which the United States and other western powers are backing, is pretty shaky. How far then will western intervention go to preserve this government because it is the friendly government of South Viet Nam and is opposed to the communist government in the north?

All these questions are of very great importance. They would be important to Canada whether or not we were represented on the commission; just as what happened in Danzig in 1939 was important to Canada, and what happened at Sarajevo in 1914 was important to Canada. But we have an additional responsibility because we have accepted, and we have rightly accepted membership on these commissions, and we have discharged our responsibility on them in a way that has brought credit to the men on these commissions and to the government and people of Canada.

I wonder, therefore, whether the minister can give us some further information especially about the work of the commission in Viet Nam. To what extent is the commission consulted in respect of relations between the government of the United States, the government of South Viet Nam and, if there is any relationship, with the government of the north, or is it being used as a screen behind which dangerous forces are at work? In the future it might even be asked to accept some responsibility for developments there without in fact having any power or opportunity to control in any way those developments. As Canada is represented on these commissions, I think we are justified in expressing some preoccupation with this matter and in asking for this kind of information if the minister feels it can be given.

Mr. Green: Mr. Chairman, the commission visits Hanoi in North Viet Nam from time to time. I have had no reports of their interviewing Ho-Chi-Minh, the president of North Viet Nam, this year. Mind you, their ability to get around and check the whole situation is comparatively limited. I do not think the commission can be attacked fairly on the ground that it is simply being used for someone to build up trouble behind it. If that were a proper criticism, then one would perhaps be justified in asking that the commission be withdrawn.

I do not think that is the case. They do what they can to check these incidents. One incident, for example, involved the murder of a South Viet Nam military officer who was attached to the commission. He was murdered in a most cold blooded way, and the commission has had the greatest difficulty in finding out the facts behind the murder. They have also had great difficulty in getting the facts with regard to various other incidents that have taken place.

It would be unfair to make the commission assume responsibility for all that goes on in Viet Nam. When the Leader of the Opposition referred to the red Chinese coming into South Viet Nam, I think he was wrong. The infiltration is from North Viet Nam and not, as far as I am aware, by red Chinese troops either in South Viet Nam or in Laos. By the very nature of the operation of the commission its work cannot be perfect. Those Canadians who are serving on the commission simply do the best they can under conditions which are extremely trying.

Looking at the broad picture, I think the presence of these commissions in the area has prevented a big war breaking out. I may be wrong in that view. As the Leader of the Opposition knows, it is quite impossible for anyone to be certain just what would have happened had the commissions not been there, but I think they are a restraining influence. It must never be forgotten that the commissions themselves are divided. It is not as though they go in as a team of three working together. That is not the case at all. They go in with the representative of one country working very closely with the communists, and it is a very difficult situation.

Mr. Pearson: I did not mean to give the impression, perhaps I did give it that red Chinese troops as such had moved across the border. I have no reason to believe that, and no evidence I have seen would support that. But there is no doubt that the communists from the north have red Chinese forces behind them, that these communists from North Viet Nam who are doing the infiltrating are in very close relationship to the Chinese communist government. This is how it is being done. I am glad to hear the

minister say that the commissions have been a restraining influence. I am sure that is right. It has been a good thing to have them there. The time is going to come when perhaps their usefulness is over, in which case they should be withdrawn. I believe the government has considered withdrawing the commissions from Cambodia and Laos, but perhaps it has been a good thing to have them there in view of events in the last year or two.

It is useful to have the minister's opinion that the commissions are not being used as a screen behind which activities could be carried on of which we would not approve. The danger remains, however and I am sure the minister will agree with me, that behind the North Vietnamese are the Chinese communists who have not interfered openly as yet any more than they interfered openly in North Korea in the early days of the war there. Behind the South Vietnamese are the United States forces. If this civil war can be confined to the forces of Viet Nam, on one side or the other, perhaps there is not going to be any widespread trouble. But if, in fact, the war broadens out to the point where those who are helping each side get in conflict with each other, then anything can happen.

The other day when it was announced the United States had sent some more troops into Viet Nam, a great deal of publicity was given to this. The minister will recall a statement was issued from Peking that if this kind of thing continued the Chinese government will consider what kind of action it will have to take to support its friends. This is what happened in Korea. At the beginning there was no Chinese intervention. It was felt by a lot of people that there would be no Chinese intervention, but the Chinese government said that under certain circumstances they would intervene and they did intervene. We missed world war III by a hair's breadth. Let us hope that does not happen in Viet Nam.

Mr. Green: I should point out that there are no United States combat troops in South Viet Nam.

Mr. Pearson: I think there are United States combat troops there for training purposes. There are 4,500 according to the announcement from Washington, and they are there to help train the Viet Nam forces to meet the forces from the north.

Mr. Regier: I believe that the vast majority of the Canadian people will always be grateful that our Secretary of State for External Affairs likes to regard himself as an optimist. I would hate to think of the attitude of the Canadian government towards the world scene if our Secretary of State for External Affairs were anything else but an optimist.

There has been a bit of discussion of the role and duties of the commission in that part of the world. I had never expected that the role of the commission would be to ensure that that part of the world would some day be in either the communist or the western camp. I had always imagined that the role of this commission was primarily to maintain peace and to prevent an outbreak of war, to limit any violence or to attempt to use its influence to keep violence to the lowest possible level.

Then, my basic reason for rising was that I did want to make it perfectly clear that it is our contention that the basic cause of unrest is that the people in the area of the world now know that the conditions of life which they have experienced in the past can be improved upon. There has to be a change in the social and economic lives of the people in that area. I agree with the minister when he contends that the communists are the immediate cause of the disturbances. They will always exploit to the utmost, on behalf of their ideology, any social or economic complaints of the people anywhere in the world. Our only plea was that our reply to the challenge of the communists, especially the reply of the United States, ought to be directed towards removing the economic and social complaints of the people in order to take away from the communists their most valuable source of ammunition.

Before I sit down, however, I should like to ask the minister a specific question. Has any report ever been issued to the government as to why a Canadian official was murdered in that area? The minister referred to this only a few minutes ago. I should like also to ask him another question. Have any Canadians, either from the Department of External Affairs or the Department of National Defence, been sent home for reasons other than the normal reasons of leave, furlough, et cetera? If so, for what reason were they sent to Canada?

Mr. Green: I was referring to the murder of a South Vietnamese colonel, not a Canadian. I believe there was a Canadian murdered some years before I took over the portfolio.

Mr. Martin (Essex East): It was one of our own.

Mr. Green: Yes, there was a Canadian murdered that time. I have no report on that particular incident. From time to time, Canadians are brought home, but I think it would be of no benefit for me to go into that any further.

Mr. Martin (Essex East): May I ask the minister if he can enlighten us as to whether the small Christian colony in or near Hanoi, where Canadians used to foregather quite frequently, has been permitted to continue, or have the personnel left?

Mr. Green: I have no knowledge of that, but I shall be glad to get the information and send it to the hon. member.

Mr. Regier: The minister seemed to be hesitant in replying to the latter part of my question. To the best of his knowledge, have any Canadians been sent home, other than in normal circumstances, and have they been found guilty of violating the laws of our country?

Mr. Green: Yes, Mr. Chairman.

Mr. Regier: I wonder whether or not the minister would care to tell us about that? I believe that Canadians realize we are not without sin and that we sometimes err. I feel that the committee is entitled to know what has happened.

Mr. Green: Mr. Chairman, the situation is this: While it would be very nice from a curiosity point of view to make statements on facts like this, unfortunately the matter very seriously affects those Canadians still serving in Indo-China and for that reason I do not think it is in the public interest that I should go any further.

Item agreed to.

626. Gift to commemorate sesquicentennial anniversary of the independence of the Republic of Mexico—further amount required, $2,500.

Mr. Martin (Essex East): This is a gift to commemorate the sesquicentennial anniversary of the independence of the Republic of Mexico, a country with whom Canada has traditionally cordial relations. Mexico is a member of the organization of American states. It may be that many citizens in that great and friendly country would regard, as one of the most effective ways for Canada to observe the sesquicentennial anniversary of the independence of the republic of Mexico, a clarification of the government's intentions with regard to joining the organization of American states.

I do not say that everyone in Mexico would accept that as the proper way for Canada to pay tribute to Mexico, but I suspect that the encouragement given by the minister himself on his peregrinations to Mexico as well as to other Latin American countries, and by the Prime Minister, has whetted the appetite of many people as to Canada's intentions.

It will be recalled that the minister himself took the initiative in saying that the government was giving careful attention to membership in the organization of American states; and indeed the Prime Minister, on the occasion of his official visit to Mexico, by the emphasis he gave to the matter at any rate seemed to have gone a step further. Then I recall the minister's statement in Vancouver which encouraged protagonists of the organization of American states to regard the minister as the real precursor of Canada's interest in association in that organization. However, I was surprised the other day to see in the paper that government policy in this regard was being expressed not by the Secretary of State for External Affairs or the Prime Minister but by the speaker in the other place.

Mr. Green: On a point of order, may I ask what a British Columbia totem pole, being sent to Mexico as a gift to commemorate its 150th anniversary, has to do with Canada joining the organization of American states?

Mr. Martin (Essex East): What I said, and I thought rather ingeniously—

Mr. Green: Certainly.

Mr. Martin (Essex East): —I thought my ingenuity had won the sympathy of the minister—

Mr. Green: You stick to the totem pole.

Mr. Martin (Essex East): —was that one way of expressing our appreciation to this friendly country would be to give an indication of what our present views are with regard to the organization of American states. The speaker in the other place said that financial reasons stood in our way of joining the organization of American states, but that has never been the position of the Secretary of State for External Affairs.

The Chairman: Order. I think perhaps I should rule on the point raised by the Secretary of State for External Affairs. The Chair is certainly inclined to take the view that the hon. member, in discussing the OAS, is out of order on this particular matter, and I would ask him to relate his remarks to the gift in question.

Mr. Martin (Essex East): I do not want to press something that the Chair regards as being out of order. I had thought the character of our discussion was such that the minister would have agreed that I had got under the umbrella with some procedural justification. However, since all we are going to present to Mexico is a totem pole I can only conclude that the government has not made up its mind as to whether we should join the organization of American states although, if

I would not incur your wrath, I would go on to point out it is perhaps because the government has not been able to ascertain the state of public opinion in the matter.

The Chairman: I am inclined to be wrathful just now.

Mr. Pearson: May I ask the minister what is happening to this totem pole? I take it that is what the $2,500 is for. Where will it be erected in Mexico?

Mr. Green: I understand the totem pole is at sea at the moment. This vote for $2,500 is to cover the transportation costs and presumably the erection costs. It is to be put up in Mexico City.

Mr. Martin (Essex East): I assume of course that this totem pole is made of wood and the minister, being the kind of man he is, the wood has come from British Columbia.

Mr. Green: There isn't the slightest doubt of that.

Mr. Pickersgill: As a former superintendent general of Indian Affairs may I ask could the minister assure us that this is an authentic totem pole and was secured from the Indians; and because the Indian band that was responsible for it might take some pride in it, could be tell us which Indian band it was?

Mr. Green: Yes, Mr. Chairman. It is an excellent example of Indian art.

Mr. Pearson: Is the minister the high man on this totem pole?

Mr. Green: No, but I will tell you the Leader of the Opposition is the low man, the same place as he is going to be on some other poll.

Mr. Pearson: Does the minister realize he is well below us on the Gallup poll?

Item agreed to.

627. Gift to commemorate the inauguration of 'Plaza Canada' in Buenos Aires, Argentina, $1,100.

Mr. Martin (Essex East): Since we are marking our friendly relations with these Latin American countries in a material way I am sure we will all support this gift to our close friend, Argentina; but it would be interesting to have an explanation from the minister as to the circumstances of this gift. The gift will be placed in the Plaza Canada in Buenos Aires. It would be interesting to know what it is, a plaque or a totem pole.

If it is a totem pole then it certainly is not as impressive as the one we are giving to Mexico because it is only going to cost $1,100. Maybe that is the kind of pole the minister will admit he is really on. I think we should have some explanation and I am sure there are many reasons why we would want to recognize our friends, the Argentinians. It would be interesting to know whether this is by way of reciprocal act for the gift Argentina has given to us. Does this arise out of the gift of the president of that country during the last few months?

Mr. Green: I am very happy to explain this vote. In Argentina there is an Argentina-Canada cultural institute, the membership being made up of citizens of Argentina who are interested in Canada, as well as Canadians who happen to be living there. They proposed to the city council of Buenos Aires that a square in the city should be named Plaza Canada. That was done and on July 27 last year this square was formally inaugurated with great ceremony and publicity.

Mr. Martin (Essex East): Was the Associate Minister of National Defence there?

Mr. Green: I beg your pardon?

Mr. Martin (Essex East): Is that the occasion when the Associate Minister of National Defence was in Latin America?

Mr. Green: No, he stopped a revolution.

Mr. Martin (Essex East): Yes, he stopped a revolution.

Mr. Pickersgill: Was that in Argentina?

Mr. Green: They have two schools in Buenos Aires which are named Canada schools. One is affiliated with a school in Toronto and the other with a school in my riding in Vancouver. When the President of Argentina was here last December he went to Toronto and visited the school there, and renamed it the Argentina school. All of these activities are part of the wonderful work being done by this Argentina-Canada cultural institute. In view of the fact that they had undertaken this we felt we should give some recognition to that action and we are supplying a painting, which is to cost $700—it was obtained through the national gallery—and in addition we are procuring and shipping maple trees to be planted in this Plaza Canada. I think this is an excellent example of promoting good will between our two countries.

Mr. Pearson: The Plaza Canada is in the square, I take it, in Buenos Aires, but where do you put a painting in a square?

Mr. Green: I am surprised that the Leader of the Opposition would be so obtuse. The painting is to go to the city hall. It was the city council that named the square.

Mr. Pearson: A few weeks ago, I think it was, there was a story in connection with this

ceremony to the effect that the Argentine government, in this much appreciated gesture of establishing this Plaza Canada as a further symbol of the friendship between our two countries, decided according to the report to set up in the plaza a statue of the liberator of Canada and asked the government of Canada who was the liberator of Canada. Can the minister give the committee any information as to that exchange?

Mr. Green: I think the Leader of the Opposition must have read that in some Liberal campaign literature. I never heard it.

Mr. Martin (Essex East): It could still be authentic, of course.

Item agreed to.

Other payments to international organizations and programs—

628. Assessments for membership in the international (including commonwealth) organizations that are detailed in the estimates, including authority to pay such assessments in the amounts and in the currencies in which they are levied—further amount required in Canadian dollars, estimated as of January, 1962, $2,400.

Mr. Martin (Essex East): Mr. Chairman, this is a rather important item. Perhaps the minister will tell us whether any progress has been made in the payment of obligations by member states, particularly in the United Nations. The number of countries which have failed to meet their obligations is rather discouraging. While we are aware of the steps that have been taken to elicit from the International Court of Justice an advisory opinion as to the obligations of member states with regard to the maintenance of peace keeping operations, that is not necessarily going to correct the situation because there is no way of enforcing a decision of the court.

Since this question was asked of the minister in the house about two or three weeks ago I note that the Soviet union, for instance, said that it was going to pay its obligations to the United Nations. Were those with regard to its normal assessment, or were they because of the operations in the Congo?

Mr. Green: Mr. Chairman, that question has nothing to do with this item.

Mr. Martin (Essex East): It deals with assessments.

Mr. Green: There is a later item under which the hon. member could raise that question. This vote is for—

Mr. Martin (Essex East): Assessments for members.

Mr. Green: —the permanent court of arbitration in the Hague.

[Mr. Pearson.]

Mr. Pearson: This item reads:

Assessments for membership in the international . . . organizations that are detailed in the estimates—

Could the minister give us the details of these international organizations?

Mr. Green: The details will be found at page 12. It is for the permanent court of arbitration, 7,717 Dutch florins, $2,400.

Mr. Martin (Essex East): Under what item did the minister say the discussion which I initiated could take place?

Mr. Green: Vote No. 668, loans, investments and advances.

Mr. Martin (Essex East): Yes. There we could, of course, discuss all the problems of the United Nations, and so on.

Item agreed to.

629. Purchase and transportation to British Honduras of skim milk powder, canned pork and other supplies for the relief of victims of the hurricane disaster and to authorize reimbursement of the agricultural stabilization board in respect of the purchase of such skim milk powder and canned pork, $70,500.

Mr. Matheson: Mr. Chairman, I am delighted to see this item of $70,500, part of which has been directed to skim milk powder. We know something of the circumstances of the disaster that affected particularly the city of Belize in British Honduras and we are very pleased that Canada can come to the rescue of these people, so many of whom suffered so grievously.

I am wondering if the minister could explain to us on this vote whether this is the type of thing that we now have handled through the food and agricultural organization on utilization of surpluses for economic and social development.

I was fortunate in being an observer at the second committee which met in New York on Friday morning, December 8 last, when there was a statement made by Mr. B. R. Sen from India, the director-general of that organization. His secretary, whom I had the pleasure of meeting, was Miss Jessica Campbell of Victoria. Mr. Sen, in his statement to that committee, said:

—that the world conscience could no longer tolerate restriction as the solution to the problem of surplus production in some countries when half of mankind remained underfed or poorly fed.

He said further:

—the resolution gave proof of the unanimous desire of all member nations to strengthen their co-operative effort to bring about a world order based on human dignity and progress.

Then he went on to a matter that I think asks for some clarification on this vote. Mr. Sen said this:

As regards the scope of operations—

The Chairman: Order. I regret to interrupt the hon. member, but it is five o'clock and it is therefore my duty to leave the chair in order that the house may proceed to consideration of private members' business pursuant to section 3 of standing order 15.

PRIVATE BILLS

On the order:

Second reading of Bill SD-1, an act for the relief of Madeleine Françoise Hankowski—Mr. McCleave.

Mr. R. J. McCleave (Halifax): Mr. Speaker, last Thursday I had hoped to be in a position today to make some statement. Unfortunately some factors have intervened, some of them unforeseen, and I would ask that the 102 divorce bills standing in my name today be stood.

Mr. Speaker: Is it agreed that item Nos. 1 to 102 stand until the next day for private bills?

Some hon. Members: Agreed.

HOUSE OF COMMONS ACT

AMENDMENT RESPECTING HOLDING OF BY-ELECTIONS

Hon. J. W. Pickersgill (Bonavista-Twillingate) moved the second reading of Bill No. C-20, to amend the House of Commons Act (election writs for by-elections).

He said: Mr. Speaker, the purpose of this bill which is a very short one and which contains only one clause is to amend the House of Commons Act to provide that in the event of a vacancy occurring a writ shall be issued within 60 days of the receipt by the chief electoral officer of the warrant for the issue of a new writ instead of the present provision that it shall be issued within six months.

As Your Honour will recall, earlier this week the Prime Minister asked leave to revert to motions at six o'clock for the purpose of announcing that the writs had been issued for two by-elections to take place in two constituencies, Waterloo South in Ontario and Nicolet-Yamaska in Quebec, both of which have been vacant since long before the present session of parliament began and one of which was, of course, just coming up to the wire of the six-month provision.

It seems to me there is a lack in the law at the present time with respect to the holding of by-elections. I drew attention to the fact the other day, in response to the Prime Minister's announcement, that it was unfortunate and totally unnecessary that these two constituencies were going to be unrepresented for a whole session of parliament. Since parliament did not meet until January there was no reason why these writs should not have been issued last September and the by-elections held in ample time to give the people of these constituencies an opportunity to be represented at this session of parliament.

The Prime Minister replied in a fashion which of course has become almost habitual with hon. members of the present government whenever it is suggested that they do any of the things they said they were going to do before they were returned to office. The Prime Minister used the phrase, "physician heal thyself". When hon. gentlemen opposite were appealing to the people to turn out the previous government and put themselves in its place they were not appealing for the purpose of doing precisely what the Liberal government was doing, but that is their invariable excuse for every sin of omission or commission of which they are guilty. They seem to feel, now they are in office, that everything that was done by their predecessors was perfect and all they have to do is follow that model and they will be perfect.

Mr. Peters: That is not true, of course.

Mr. Pickersgill: The hon. member is quite right. There are a great many things which were done by the government of which I was a member which were not perfect—a great many things—but unlike hon. gentlemen opposite we are human enough and modest enough to admit that.

Some hon. Members: Oh, oh.

Mr. Pickersgill: It is true that in 1953 in the session before the general election and again in 1957 in the session before the general election there were two or three constituencies which went unrepresented for the whole of those sessions of parliament.

An hon. Member: York South was one.

Mr. Pickersgill: Yes, York South was one of them. I do not think the fact that that happened is any credit to the previous administration. It is a matter of history, however. If it was not a credit to the previous administration there are at least two circumstances that differ from the situation that has prevailed under the present government.

Those were the last sessions before a general election and the government of that day had made it very clear that there was going to be a general election. They did not seem to regard it as a cliff-hanging mystery which now seems to be an occupation to fill the idle hours of the Prime Minister. One would have thought that the Prime Minister of a great and important country like this would have more

important considerations to occupy his attention than trying to play tiddly-winks with the press and the public. But we are told by those pressmen who seem to enjoy the Prime Minister's confidence that that is his main preoccupation these days, trying to create mysteries about this matter. I appreciate, sir, that in saying that I am straying somewhat from the bill but I have been straying along paths that seem to be of great interest to many hon. members.

What I am saying is this. In the case of those particular vacancies which occurred in 1953 and in 1957 they were vacancies that occurred just before a general election, the last session before an election. I am not advancing this argument, but it might be argued that there may be some justification when one is really close to a general election for leaving the seats vacant. I do not think so myself but I am sure that argument would have been made at that time and perhaps I might even have made it myself in those circumstances. But looking back on it I do not think it is a proper thing. I do not think it ought to happen.

There was another difference. In the case of those vacancies the opposition of that day did not draw the vacancies, in most cases, to the attention of His Honour the Speaker. That is not very important either because the government had an equal responsibility; but I just note that members of the opposition of that day by and large did not draw attention to those vacancies whereas in the case of Waterloo South notice was given on September 8 last year.

This may not be the last session before a general election. There are some of us, sir, who have very considerable doubts about whether this will be the last session before an election. Under the constitution there is plenty of opportunity to have another session. There is no constitutional need to have an election before July 1, 1963, and if the Prime Minister shows the same capacity to reach conclusions about this subject as he does about many other subjects, there are many of us who would not be surprised if the election was brought about by the efflux of time as it was the last time we had a Tory administration and as it was in 1896 when a dying Tory administration was in office.

As I say, that could happen. This is not the first time there have been constituencies unrepresented in this parliament for an entire session. This government which went to the country on a plea of restoring the rights of parliament seems to ignore completely the very foundation of parliament, and that is the representation of the people. It should not be possible for a prime minister or a cabinet to deprive the people of representation under the law. I am not accusing the government of doing anything unlawful. I say the law is imperfect and I am seeking to improve it and make it more perfect if I can convince hon. members that my bill should be supported. I say the law should not allow a prime minister or a cabinet, by failing to do something, to deprive taxpayers of representation in this house which taxes them, or to deprive citizens of representation in this house which makes laws governing them in a country which professes to be self-governing. It seems to me this is the very foundation of everything we stand for and support.

We know there are times when it is very inconvenient to everyone including the electors to have an election. I think it would not be feasible or reasonable, and that it might work unnecessary hardship to have a rigid provision that immediately a vacancy occurred the writ must issue the next day or in the shortest possible time. I have therefore not made any such suggestion. What I have suggested is that once notification is given of the vacancy a period of two months might elapse. I realize that this bill by itself will not correct the whole problem. In addition to this legislation, in order to make absolutely sure, that the by-elections will take place, there would also be required an amendment to another statute in order to set a time limit beyond which the election itself could not be delayed. Even if the writ is issued two months after the notice of vacancy instead of six months afterward, though it might be scandalous it would not be illegal to set a by-election a whole year later.

Mr. McGrath: As Joe did in Newfoundland.

Mr. Pickersgill: The hon. member's intervention is singularly ill-timed because his leader and his friend in Newfoundland is complaining bitterly because the premier of Newfoundland has set a by-election too soon, not too late, and he has been doing so in the last few days.

Mr. McGrath: Surely the hon. member will allow me to correct the record.

Mr. Pickersgill: At the conclusion of my speech I would hope that the hon. gentleman would make a speech on this subject himself.

Mr. McGrath: I will certainly correct the statement made by the hon. gentleman.

Mr. Pickersgill: I also hope that in doing so he will support this bill in order to make sure that there are no delays and that there is no possibility of any constituency being unrepresented for any length of time in this house at any time. Whatever may have been

the record of other governments in the past, I do not think since 1935 there has been any record worse than that of the present government in delaying by-elections. It is true that immediately after 1958 they did not delay them. However, they have done so from the date on which my friend the hon. member for Trinity was elected in a by-election that marked the beginning of the turning of the tide in this country.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Hon. gentlemen opposite have a singular reluctance to test their fortunes with the electorate. Perhaps this reluctance is human. Perhaps they should not be blamed, knowing what they know about the currents of opinion. However the facts are there on the record. More than half a dozen constituencies for whole sessions of parliament have been deprived of representation in this house. The matter has now become a scandal. Being a scandal, I suggest it is time the situation was corrected and that this is one important step in making that correction.

Mr. McGrath: Mr. Speaker—

Mr. Speaker: Is the hon. member for St. John's East rising to make an explanation?

Mr. McGrath: Yes, Mr. Speaker. The hon. member who has just taken his seat made the statement which is on the record about the premier of Newfoundland. He said that our party was complaining because the premier of Newfoundland had called a by-election too soon. That is not a factual statement. What in fact happened was that there has been a vacancy in the Newfoundland legislature for a Labrador constituency. The premier of Newfoundland waited the complete six months statutory period and called the election for March 19 in a constituency in the wilds of Labrador and he gave only three week's notice.

Mr. Frank Howard (Skeena): Mr. Speaker, I do not intend to get into this feud between Newfoundlanders or perhaps I should say between a Newfoundlander and a Manitoban. Perhaps I should preface my remarks by saying that there is possibly a bit of a hazard involved in expressing support for a bill emanating from the area from which this one emanated. It might be misinterpreted as leading to something else.

Mr. Pickersgill: I would not suspect it.

Mr. Howard: No; and it will not happen. We support the principle of the bill. We feel that it is not compatible with our ideas of democracy to have seats in the House of Commons remain vacant for inordinately or exceptionally long periods of time. A case in point is the constituency of Waterloo South. By the time the by-election is held, if it is held on the date which has been announced, that seat will have remained vacant for well over a year. We think that this is just not the full degree of decency of treatment which should be afforded to voters in this country. Many of our forefathers went to jail and suffered great hardships in order to obtain the right to vote, the right to representation in parliament and the right to exercise their own ideas through their own elected representatives. With this long history behind us we feel that the desires of people in a country or in a constituency should not be frustrated because we have a government headed by a Prime Minister who has the propensity for great procrastination or for using the calling of by-elections for some obscure political purpose. As was mentioned, taking into account the problems of the country in connection with geography and weather, it is not possible nor do I think it is sensible to set a rigid time for the calling of elections or by-elections. For instance, in the midst of January it would be most awkward and difficult and would indeed cause hardship to the people involved if they were obliged to participate in an election, say, in Yukon, or in the new constituency of the Northwest Territories or in any of the other northern ridings. As the hon. member mentioned, in the Labrador area also this situation works a hardship upon the people.

Mr. Pickersgill: I wonder whether the hon. member would permit me to ask a question?

Mr. Howard: Yes.

Mr. Pickersgill: Would he not think that this would work as much hardship in March of one year as in March of another year, and that this consideration would have applied to 1958?

Mr. Howard: As I said earlier, Mr. Speaker, I have no intention of getting into this feud between a Newfoundlander and a Manitoban on this question. All I am doing now is supporting the contention which was advanced by the hon. member for Bonavista-Twillingate originally and which he is doing his best to talk me out of supporting. I want some flexibility to be contained in the statute that says you must call an election within a certain length of time, in order to allow a certain period of time to meet the exigencies of weather and the like. In short, we support the principle of the bill. We think it is most necessary to ensure that the population in constituencies have representation in parliament at all times during the time parliament is in session. Of course,

we then get into the realm in which members have been accused on a number of occasions, namely that we may even have sitting members in the house but that actually the people in the constituency in question have no representation, even though there is a sitting member. We cannot get into that field, of course, as then we would be going beyond the scope of the bill. We do not wish to do that. However, in general we support the principle of the bill. We hope it will come to a vote. We hope that hon. gentlemen opposite will not spend the balance of the time until six o'clock ensuring that this bill does not come to a vote. It is far too important to be treated so disdainfully, as other private members bills are treated by hon. members opposite.

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, I should like to say a few words on this bill. I notice that it has two parts to it. The mover wishes to have by-election writs issued within 60 days and by-elections held within 90 days after the issuance of the writ. Before I say any more, the last speaker more or less accused members on this side of the house of being ridiculous and talking about things that are not important. I think he has spent more time in this house talking about unimportant things than any other member and I do not think he should accuse us of wasting time if we want to express our opinions on this bill.

Mr. Howard: Attaboy, Gage.

Mr. Montgomery: I am one of those who first entered the House of Commons after a by-election quite a while ago, and I take a different attitude from that of the hon. member for Bonavista-Twillingate with regard to this matter. I will tell him right away that I will not support his bill if it comes to a vote.

It is not particularly the job of members of parliament to decide to limit the wishes of the people in any constituency. The rights of parliament are different from the rights of the people in a constituency. In some constituencies a by-election may be desired soon and in others the people may not want a by-election to be held quickly. That is just as true for one party as for another. As the hon. member for Bonavista-Twillingate said a while ago in confessing his past sins, it may depend on who is sitting in the chair of authority. In my opinion the people of the constituency should be given lots of scope.

Mr. Pickersgill: How can they do anything about it?

Mr. Montgomery: Well, I find that people in a constituency get pretty much what they want if their requests are reasonable. I have sat in the opposition and on the government side, and if the people of a constituency have a member of parliament who is a cussed nuisance they sometimes do not get everything they request because they are misled. If they have a good, sound member of parliament who is reasonable, they usually do.

Mr. McGrath: The hon. member for Bonavista-Twillingate would not understand that.

Mr. Montgomery: I think the people in a constituency are fairly reasonable.

Mr. Pickersgill: Would the hon. member permit me to ask a question?

Mr. Montgomery: I will try to answer if I can.

Mr. Pickersgill: Would he tell me how, under the law as it now stands, the people in the constituency can have a by-election if they want to?

Mr. Montgomery: There is nothing to prevent it if they petition the government in the right way and make their wishes known. The trouble with some hon. members is that they feel they represent everybody. They do in one sense; but there are a lot of people in their constituencies who apparently do not pay much attention to what they recommend. For 22 years when the party the hon. member supports was in power you fooled the people many times. It is like the old story that when you cry wolf, wolf too often, help is not given.

I do not want to get away from the bill, though it seems so easy to do in view of the circumstances. Under the present law the time within which a writ must be issued is six months. It can be done sooner if the people of the constituency get after their member of parliament. If he is reasonable and can present a good case I venture to say that even an opposition member could secure a by-election.

Mr. Pickersgill: But he would have to be dead first.

Mr. Montgomery: But if you have an opposition member to whom no attention is paid and who makes himself a nuisance to the government he is not going to be able to get a by-election. There are only a few of us who have had experience both in the opposition and as members of the party in power and who can really speak with a good idea of the opinion of the people in the constituencies. Therefore I am quite happy with the way the law is.

There is another point. Under this bill it could be possible to have two by-elections in one year. Any hon. members who have had to

run in one election and then seven or eight months later run again know that it is not a very pleasant experience from a financial standpoint at least. There is also the point that sometimes the people in the constituency do not want an election called when somebody in the opposition might like to have it called because of the weather conditions and so on.

Mr. Pickersgill: This is the new democracy, is it?

Mr. Montgomery: All of these things have something to do with the matter. Like many other things, I think this is a matter that should be subject to a request from the constituency and left to the discretion of the people who must call elections.

I have not had time to investigate to see why a period of six months was established in the present law. There must have been some good reasons, and I think the law as it stands has served very well. Maybe I should not say this but I know of one or two constituencies where the people would be just as well off if they had no representation as they are with the representation they have.

Mr. Pickersgill: Is the hon. member thinking of Restigouche-Madawaska?

Mr. Montgomery: No, I was not referring to that. New Brunswick is very happy.

Mr. Pickersgill: I mean the former member, of course.

Mr. Montgomery: There are many reasons other than political ones. We do not want to limit discussion of this matter, and I am certainly not one of those who would wish to cut down the time. I do not believe the hon. member for Bonavista-Twillingate had this in mind but I can see some people might say that he would want to have somebody elected before the former member had cooled off, before he was buried. You can go to extremes in these things.

Mr. Pickersgill: You cannot have an election in less than 60 days.

Mr. Montgomery: I think you could under this bill. I am quite happy to support the law as it stands at the moment unless far better reasons are advanced than those offered by the mover of the bill. I know that the hon. member has brought the bill forward in good faith. I sat on a committee with him and he is quite adept at changing his mind. He told us he started out as a Conservative and that if he had had a chance to vote early enough in his life he might have been a Conservative. However, he then got into other company and by the time he was 21 he had changed his mind. As time has gone on he has changed his mind on several occasions and now he is apparently ready to throw his old party overboard on account of all their sins. He has repented but I do not know what he is going to do with some of the fellows he has with him on that wagon who have not repented yet.

I think we can assume that there must be some political reason behind this, although I will give the hon. member credit for his sincerity. He seems to have in mind the fact that this government is not doing right by the people. He has forgotten that under his scheme the people who are really represented in parliament would not have very much to say about whether or not they wanted the time to be longer than the five months. I think six months is all right for the issuance of the writ, and a reasonable time thereafter for the election. I am sorry but I must tell the hon. member that if this bill comes to a vote I will be voting against it.

Mr. Walter Pitman (Peterborough): When this debate began, I thought the bill was a very simple one. I was going to congratulate the hon. member for Bonavista-Twillingate upon introducing it because I think the measure is very much needed in our democratic system. I must say that since the last member spoke I have become more and more confused. I think we are getting near reincarnation now because I have not been able to understand how a member of parliament can ask for a by-election in his own constituency, especially when by-elections usually occur after the death of a member. It seems to me we have become involved in a whole area of trouble because of the apparent lack of efficiency of our undertakers in terms of getting our members of parliament buried before this by-election can take place.

Surely, we are dealing with the rights of the people in the constituency. I think one of the speakers had a point when he said that the people in the constituency had rights. It is not the right of a few supporters of the government party, whichever party that might be, to decide upon the date of the election. We have a situation where perhaps 100 or 200 people in a constituency have the right to make the decision for all the people in that constituency. I do not believe this is sound in terms of our parliamentary democratic tradition. Nor do I think it is very sound to assume that the government party, no matter which party that might be, should be able to delay the election over a long period of time, to wait until unemployment decreases or until the economy begins to rise before deciding on the date of the by-election. All of us in this house know to what extent a by-election becomes a means of

judging a political party or an opposition party in terms of its performance in this house or in the country.

Perhaps, as the hon. member for Bonavista-Twillingate mentioned, this bill is a first step towards remedying the situation. I would expect that, as a second step, perhaps the hon. member would introduce another bill by means of which we would be able to set a time limit on the government's ability to postpone a by-election. Perhaps we would have the opportunity then of having the election within five months after the death of a member. As one who did come into this house on a by-election, I can assure hon. members of the difficulties which exist in a constituency which has no member. I think the by-election was called in fairly short order in the federal riding of Peterborough. However, there was a tremendous backlog of problems. Veterans become very much concerned about pensions when they cannot seem to get through to the right person. Many of the people have problems. I am sure every member in this house finds five or ten letters a day on his desk. When you multiply this by the number of days a constituency is left without a member of parliament, you can well imagine the frustration created for a great many people in a constituency.

I think we can put this discussion on a very high level. I thought I heard the hon. member for Trinity mention, no taxation without representation. Certainly this is one of the great strongholds of our democratic tradition, that is the tradition that all the people must have the right to decide, through their representatives, on the taxes to be imposed on them. I sincerely hope that this bill will come to a vote tonight and all hon. members will have an opportunity to take another step towards making our parliamentary democracy more democratic.

Mr. Frank McGee (York-Scarborough): Mr. Speaker, I would be inclined, under normal circumstances, to approve of a measure to speed up the process of filling vacancies in the House of Commons. As I say, I would be inclined to approve of this if I could bring myself to believe in the sincerity of the hon. member's purpose in proposing the measure to this house.

Mr. Pickersgill: I will have to rise on a question of privilege, Mr. Speaker. It is not, of course, competent for any hon. member to question the sincerity of any other hon. member. I hope the hon. gentleman will withdraw the implication and will deal with the bill regardless of who sponsors it. It is the bill with which we are dealing, not the sponsor.

Mr. McGee: I take it, Mr. Speaker, you wish to rule on this?

[Mr. Pitman.]

Mr. Deputy Speaker: I must rule on this point. It is not proper to impute motives to an hon. member, and the hon. member should continue to discuss the bill.

Mr. McGee: First of all, I did not think the hon. member for Bonavista-Twillingate was so sensitive, so touchy, but I will defer to your ruling, sir, and withdraw that to which exception has been taken. Surely I may be permitted to do a little wondering out loud. I am wondering why today the hon. member dons both sackcloth and ashes, beats his breast in humility and proclaims the sins of his administration. Has this been a sudden thing that has come on him as a fit?

Mr. Pickersgill: I introduced the same bill last year but it never even got second reading.

Mr. McGee: The criticism for that delay might be directed to another part of the house, not this particular corner. As the hon. member well recalls it was the actions of certain hon. members in another corner of this house that, for all practical purposes, deprived every hon. member who had a private bill on the order paper from having that bill discussed.

Some hon. Members: Shame.

Mr. Peters: Where were you last session? He is not talking about this corner, anyway.

Mr. McGee: Surely I am permitted to wonder why, when the committee on privileges and elections was reviewing the election act, the hon. member did not mention this problem at that time. I must pay tribute to the hon. member for Bonavista-Twillingate because he was a most vocal and articulate member of that committee. Do we find in the records of the committee this passion and concern for this particular matter? I am afraid, Mr. Speaker, you will look in vain through the records of that committee to find any evidence of an effort by the hon. member in connection with this subject.

The hon. member had some comments to make about the cliff-hanging aspect of the situation when elections are being called. He stopped beating his breast and proclaiming the sins of the past too soon. I seem to recall an incident in the history of this House of Commons in which a prime minister well known to the hon. member for Bonavista-Twillingate dissolved this house over the dinner hour. The hon. member was suggesting that some virtue existed in the Liberal party so far as the calling of elections were concerned. Perhaps, Mr. Speaker, he acknowledged the monumental task of cataloguing the sins of this previous administration by desisting—

Mr. Habel: Would the hon. member permit a question?

Mr. McGee: I shall answer any question the hon. member might have at the conclusion of my remarks. There is a point to be made here; and again, without questioning the sincerity of the hon. member in any way, I wonder why he did not put a bill together which would clearly do the job which this pretends to be doing. A case can be made that six months is too long a period of time. When the six months period was first established in the elections act, communications in this country were such that clearly all that time was required for word to get out to the more remote areas in most of the constituencies. Now, on the grounds of increased communications over the past two decades, a case can be made for reducing that period from, say, six months to something perhaps in the area of four months.

Had there been any kind of serious intent behind this bill it might have something to say about the difficulties of weather, perhaps designating constituencies affected by it as we designate them for other purposes in the act.

Mr. Pickersgill: May I ask a purely factual question? Does the hon. gentleman appreciate that this bill does not set the date, or purport to set the date of election? It is only the date on which the writ is issued, and that has nothing to do with what he is talking about.

Mr. McGee: These considerations were raised by the hon. member himself and surely basically we are concerned here with the period of time which will elapse—

Mr. Pickersgill: From the vacancy to the issuance of the writ. The election date would be involved in another bill.

Mr. McGee: But surely the purpose of the bill is to reduce the period of time which will elapse between the vacancy and the by-election date?

Mr. Pickersgill: Between the vacancy and the issuance of the writ.

Mr. McGee: I heard the hon. member speaking and he addressed himself almost entirely to the proposition that by-elections should be held sooner than they are now, and this is precisely the point to which I am addressing myself. Before the hon. member interrupted my train of thought I said I would have expected to find some reference in this bill excluding certain constituencies because of communication problems, and the hon. member, with his ability to place words together both in verbal and written form, should have been able to find some phrase to cover the situation in which a by-election, by some sequence of events, would be held deep in the depths of winter.

There is some difficulty involved where a by-election can be held too soon, and we have in this parliament an hon. member who demonstrates the doubtfulness of the proposition that by-elections should be held almost instantly. I make reference here to the hon. member for Yukon (Mr. Nielsen) and his unhappy circumstances, although mind you the results were very happy. Hon. members will recall that there was a disputed election in his constituency and a new election was called. I am sure all hon. members felt for the hon. member for Yukon, who went through and conducted three separate election campaigns within the space of one year in some of the most difficult and inaccessible terrain in the whole of Canada.

Hon. members will recall that the original election in 1957 was disputed. Then a new election was called, and then the general election; so that the hon. member was engaged in almost continuous campaign activity throughout the whole of that period. Certainly a case can be made for the holding of by-elections but it must be pretty clear to almost everybody, except the hon. member for Bonavista-Twillingate, that we are not too far away from a general election.

Mr. Pickersgill: What do you know about it?

An hon. Member: As much as you.

Mr. McGee: The hon. member for Victoria-Carleton made reference to the question of unseemly haste and it seems to me that consideration should be given to a decent interval being allowed to elapse between the death of an hon. member and the beginning of activities to replace him.

Mr. Pickersgill: Say 15 months, in the case of Waterloo South.

Mr. McGee: I am attempting to place on the record some relevant, and I hope intelligent factors, which I had hoped to find contained in this bill, and if the hon. member for Bonavista-Twillingate who lectures this house almost every day and calls everybody's attention to the rules of the house, would keep quiet, I might be able to continue. Indeed I might say I heard somebody offer the suggestion the other day that if the hon. member would reverse the procedure—open his mind and close his mouth—he might learn something.

As I have stated, there is room for improvement in this area, but I have attempted to point out some of the considerations which should be given a great deal of thought. There

is the question of allowing a decent interval and the question of the difficulties of organization. In discussing such matters as this in the elections act and when they are discussing redistribution of seats, some hon. members seem to forget the very real problem of locating a candidate, and of forming a committee as each party and in fact as each individual candidate must do, arranging and gathering persons around him who will be acting in his support to conduct an election within our current practices. They seem to forget that these things take some time, and the undue haste that the hon. member suggested should not be allowed to disrupt the true purpose and the ideal all of us have in connection with this matter.

In summary I would say that the hon. member has made a case, but on a basis which curiously enough he did not mention, that of communications. He was so busy trying to make political hay on the question that he overlooked the basic proposition which is valid to support his own bill. I am prevented from questioning his sincerity but that omission raises doubts in my mind about the bill. I hold there should be consideration given to geographical areas and weather difficulties and I suggest that the bill in its present form is not worthy of support. However, I think a bill which would be worthy of support could be presented to the house but in all probability, as is normal, it will be left to a Conservative member to clean up the mess, improve the inadequacies of the members of the Liberal party, and present an effective measure to the house.

Mr. Habel: May I ask the hon. member a question? He referred to a dissolution during dinner hour. Does he know that in 1958 this house sat for half a day after it had been dissolved by the present Prime Minister?

Mr. McGee: This is a very interesting observation. I presume the hon. member was in the house, in full possession of his faculties, when the house was not in session. I wonder what the hon. member was doing there.

Mr. Azellus Denis (St. Denis): Mr. Speaker, I often notice that the hon. member for York-Scarborough is more an expert on capital punishment than on elections. According to the bill there is no question about a dispute after an election; it is only a question of dealing with the date of issuance of a writ. Therefore the elections act will take care of what happens after an election has taken place, and if we want to bring in an amendment to the elections act we will do so.

In answering the hon. member for Victoria-Carleton, who said he makes a difference between the rights of parliament and the rights of the people, I do not know whether there is much difference between the two. Anyway, he said that the people might not want an early by-election. He says this, of course, because since they have been in power they have lost most of the by-elections.

I would remind the house that as far as the constituency of Labelle is concerned, on January 19, 1960 the then secretary of state was nominated to the Senate—as we see at page 77 of *Hansard*—and then only two and a half months after, not from the government but from the Liberal side, the hon. member for Gatineau (Mr. Leduc) gave notice to the Speaker that there was a vacancy as far as the constituency of Labelle was concerned.

Mr. Pickersgill: How did that vacancy occur?

Mr. Denis: Because he had been nominated an honourable senator—

Mr. Speaker: Order. The hon. member from his seat is posing questions which do not seem to be relevant to the bill.

Mr. Denis: We might forget about it because the honourable senator is not there any more. But two and a half months after, notice was given by the Liberal member for Gatineau. It is amazing that the Conservative party was not in such a hurry to declare vacant the seat in the constituency of Labelle. The by-election took place on October 31, 1960, which was nine and a half months after the seat for the constituency of Labelle had been declared vacant.

It is obvious that delays which are allowed as far as by-elections are concerned are far from being fair to the party in power or the party in opposition, and especially are they not fair to the people of the constituency in which the vacancy has occurred. I am sure that if the bill of the hon. member for Bonavista-Twillingate (Mr. Pickersgill) is passed—and I do not want to delay it because I want to leave enough time for a vote—it will be much fairer and justice will be rendered to those constituencies in which a vacancy exists.

(Translation):

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, it is obvious that the phenomenon of elections is on the Canadian horizon as a huge cloud which will one day burst over the heads of the electorate. The hon. member for Bonavista-Twillingate (Mr. Pickersgill) is not unaware of that atmospheric phenomenon. Indeed, he shows great interest in it, since he has introduced this bill on by-elections.

I have listened most attentively to the hon. member's remarks and, although I do not

want to be unkind to him, I must say that during all the time I have been sitting in the house, never have I heard a member defend so badly a bill he has himself introduced and support it with such insubstantial arguments.

Must we conclude that the hon. member is more interested in by-elections than in general elections? Would he be considering retirement in the near future? We are wondering whether he has decided to leave the hustings in order to devote himself to the writing of numerous literary works for the benefit of future generations.

In any case, let us say that we will have a close look at the present elections act and what it would gain through the bill introduced by the hon. member for Bonavista-Twillingate.

According to the act now in force, a vacancy may occur when one of three things happens: the resignation of a member; the death of a member; or the appointment of a member to another post.

When a member resigns, the Speaker notifies the chief electoral officer, who must issue a writ within six months. Then, it is up to the government to set the date for the by-election.

When a member dies or is appointed to some other function, another member notifies the Speaker, after which the same procedure applies.

If I understand correctly, the purpose of the bill introduced by the hon. member for Bonavista-Twillingate it is to reduce the period I mentioned a moment ago from six months to sixty days and to compel the government to order an election within 90 days after the issuance of an election writ.

We listened carefully to the mover of this bill and he asked that we vote for this legislation.

He spoke as fast as he could and wandered off, as he often does, into political issues, and he is a past master at that sort of thing.

He spent most of his time anticipating the legitimate and justified criticism we could voice in reminding him that when his party was in power they could have taken the steps he considers of such importance today.

(Text):

Mr. Pickersgill: Mr. Speaker, I wonder if I might ask for the unanimous consent of the house to raise a question of privilege which will take ten seconds. I used the wrong expression earlier when I said "tiddley-winks"; I meant "button, button; who's got the button?"

Mr. Speaker: Order. The hour for consideration of private members' business having expired, the house will resume the business which was interrupted at five o'clock.

SUPPLY

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

DEPARTMENT OF EXTERNAL AFFAIRS

Other payments to international organizations and programs—

629. Purchase and transportation to British Honduras of skim milk powder, canned pork and other supplies for the relief of victims of the hurricane disaster and to authorize reimbursement of the agricultural stabilization board in respect of the purchase of such skim milk powder and canned pork, $70,500.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Matheson: Mr. Chairman, just before the adjournment I was referring to a statement made by B. R. Sen of India, the director-general of the food and agriculture organization of the United Nations which reveals something of the scope of operations proposed by the world food bank. He suggested it should be used to finance emergency relief and international food reserves as well as national food reserves, the relief of chronic malnutrition, to provide infant pre-school and school feeding, to provide educational fellowships and assist other social development activities and other economic development projects.

Mr. Sen indicated that in the discussions that took place at the food and agriculture organization conference a difference of view was expressed. Some members felt that this fund was only for emergency relief perhaps with the addition of relieving chronic malnutrition, but the other view taken was that its use went far beyond this and embraced the welfare of people in need.

I think it would be of interest if the minister were to place on the record the Canadian view with respect to the purpose of this important body. The world food bank has been endorsed in strong terms by nearly all agricultural organizations. The national farmers union in its brief dated January 31, 1962 spoke of its enthusiasm for the world food program to be developed within the food and agriculture organization of the United Nations.

The dairy farmers of Canada consider that many of their problems will perhaps be resolved by the development of this program.

Mr. Green: Mr. Chairman, on a point of order, this vote is not one under which the world food bank should be discussed. I will be perfectly happy to discuss it at the proper time. This is a vote providing $70,500 for the provision of certain goods to British Honduras and the discussion should be limited to that.

The Chairman: I think the point raised by the minister is well taken. The discussion should be limited to this particular item. I trust I will not have to remind hon. members of that on future occasions.

Mr. Matheson: I trust I will not be prevented from dealing in my remarks with skimmed milk powder which presents a problem to dairy farmers at this time. There is a hold-over of over 50 million pounds and the export situation has been seriously declining this past year. Production of this product this year has been 23.5 per cent over that of the previous year. This is one of the most important elements of Canadian dairy production—

The Chairman: Order. I am not discussing what the hon. member has just said and the only point upon which I wish to rule is the relevancy of his remarks at this particular time. I am inclined to take the view expressed by the Secretary of State for External Affairs that it would not be in order to discuss the matters upon which the hon. member is embarking at this time.

Mr. Matheson: Mr. Chairman, with respect, as I read it this item of $70,500 covers the purchase and transportation to British Honduras of skimmed milk powder, canned pork and other supplies for relief of victims of the hurricane disaster. Surely we are not limited to a discussion of the hurricane disaster.

Can we know the quantity of skimmed milk powder that was supplied by Canada and at what prices? I am pleased with this item which may indicate a future solution to our problems of surplus agricultural products. I hope I have not gone beyond the limitations of the item in these remarks.

Mr. Green: The following was provided under this item:

350,000 lbs. of skim milk powder at 7 cts. a lb.	$ 25,000
85,000 lbs. of canned pork at 17 cts. a lb.	17,000
Shipment of pickled mackerel, corrugated roofing and transportation charges on skim milk powder, canned pork, pickled mackerel and roofing	18,000
Reimbursement to R.C.A.F. for aircraft, etc.	10,500
	$ 70,500

Mr. Matheson: May I ask the minister this question. If similar disaster should occur in the future in places like British Honduras is it anticipated that relief will be provided through the food and agriculture organization?

Mr. Green: That would depend on the position of the world food bank at that time.

Item agreed to.

Loans, investments and advances—

668. To authorize the purchase in the current and subsequent fiscal years of United Nations bonds in an amount of $6,240,000 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars estimated as of January, 1962, which is, $6,493,500.

Mr. Martin (Essex East): The minister indicates, Mr. Chairman, that he does not intend to make a statement with respect to this item. This is a matter of great importance.

Canada, of course, is doing its duty in providing $6,493,500 in respect of the purchase of its quota of bonds that have been offered for sale to meet the present financial difficulty into which the United Nations has been plunged. The comments that have been made in many quarters suggest that the necessity of extending this form of financing to the United Nations is regarded as an indication of the ineffectiveness of that body.

I rise at once to say that regardless of its inadequacies this is not the time to belittle the work, the purpose and the potential role of the United Nations. We strongly support the government in the affirmation of this principle. There are on both sides of the iron curtain people and countries that have engaged in a depreciation of the effectiveness of the United Nations. However, I would strongly support the observations made by the Secretary of State for External Affairs and indeed by the Leader of the Opposition in speeches that both have made outside of this house to the effect that all we have to do is to glance at the world, its problems and its turbulence in order to realize how much worse the situation would be if it were not for the United Nations. The time that we would lose, the experience that would disappear, in the process of building up a world community if the United Nations were to disappear, I am sure will cause most people to regard these attacks on and depreciations of the United Nations as idle indeed.

The fact is that the United Nations has presented its members with this financial situation for a number of reasons. Not the least of these reasons is that this deficit situation arises out of the fact that the United Nations itself was engaged in the accomplishment of one of the purposes for which it was created, namely to deal with situations that threaten the peace or actually violate the peace. It also arises out of the fact that all

countries have not lived up to their obligations as their membership in the United Nations commands. I understand that 82 members or 87 members—I am not sure of the figure; there seems to be some dispute about it—of the United Nations are in default. This is, of course, a serious consideration. When one thinks of the millions of dollars being spent in armaments today and when one realizes the relative low cost of the operations of the United Nations, this deficit and the need for providing for it should not occasion the criticism or depreciation that has been made of the United Nations.

Canada's foreign policy is based upon a number of factors, one of which is the United Nations. I take it that in this house we are all united on that one point, at any rate, and that we are determined to see to it that this collective security organization is maintained, is strengthened and is not allowed to lapse into a position in which its usefulness is no longer apparent.

The charter of the United Nations, in article 19, deals with the case of members who are in default. It provides that there may be a period as long as two years in which defaulting members may have an obligation of paying their dues. Then under article 19 likewise provision is made for countries which, in certain circumstances, cannot pay their dues. A country may have suffered some particular catastrophe such as a severe earthquake, may have undergone an economic crisis or may have a government which is so unstable that elections are not possible. Circumstances of that kind may be extenuating circumstances explaining why a nation has not met its obligations. While these are descriptions of possible situations, the fact is that many nations are not living up to their obligation to bear their portion of the cost not only of peace keeping operations but of the general work of the organization itself. What are we to do? Are we to take punitive action against those nations which do not even meet the requirements of article 19? I think that course would be unwise. In any event, before punitive action could be taken, I think there would have to be an amendment to the charter. As that course in turn requires action by the security council in which the veto operates, we cannot look for any solution through that particular form of procedure. However, even if we could take it, I would think that course would be unwise.

In examining the list of countries which are in default we note that there are a number of them which do not offer the kind of excuse which is permissible under article 19. Among those countries are two at least of the great powers. Just by way of digression may I say this. I believe that the amount of contribution that Her Majesty's government in the United Kingdom is going to take up of this $200 million bond issue does not represent fully the percentage requirement which the United Kingdom would be expected to take up. Her contribution would be 7.58 per cent which would mean the purchase of $15 million worth of bonds, whereas actually the government of that country has decided to take up bonds to a maximum value of $12 million. I am assuming that the figure represented by the intended purchase by Canada of United Nations bonds represents our complement or our obligation as a member of the United Nations and that we have taken up the full amount. The minister will correct me if I am wrong in this regard. I certainly think that we should take up the full amount. However, I think that we have done so.

As I observed a moment ago, the fact is that some of the greater powers have not met their obligations. Notable among these is, of course, the Soviet union. The Soviet union has refused not only in this instance but in many others since 1946 to assume obligations not only with regard to peace keeping operations that were contrary to what she regarded to be her foreign policy interests but has also refused to take up certain other obligations. Moreover, her payments have not always been payments that were made on time. Other countries—and France is among these—have refused to bear their share toward certain peace keeping operations. It seems to me that this situation is regrettable. However, these remarks are not intended to be exclusively applicable to France. While they apply to her, they apply as well to other countries. There certainly ought to be a distinction made between an obligation to pay one's financial obligation to the organization and willingness to accept certain consequences of the decisions of the United Nations. There should be no equation between the decisions of the United Nations in matters of policy and the payment to the United Nations by any member state affected by that policy.

Fortunately, Canada has in this regard an unblemished record and we may well pride ourselves on that fact because, whatever we may think of the United Nations, whatever may be the weaknesses in the voting procedures of the general assembly, whatever we may think about some of the abuses that may have developed, the fact is that the United Nations is the instrument of the world that speaks for the conscience of mankind and which has been a stabilizing factor. The fact

that the question of disarmament in a sense is now being discussed outside of the United Nations, the fact that such questions as Germany are being resolved or attempted to be resolved outside the precincts of the United Nations, must not be regarded in any way as an indication of the failure of the organization to accomplish its purposes.

Nor are we going to gain much by suggesting that because we now recognize the principle of universality of the United Nations the interests of some of the great powers are being seriously affected as a result. It should not be forgotten that between 1946 and 1955, when the United Nations was half what it now is in size and membership, we in the west were able to find concurrence for many of our policies and many of our international objectives. Now that new members have been added to the United Nations, now that as a result the balance of power in the United Nations has changed, and on some occasions materially changed, that should not cause us, disturbed possibly by some of the consequences, to embark on the kind of campaign of depreciation that has been launched, notably by the Soviet union.

This was begun, of course, a year ago last September when, because the Soviet union recognized that its particular objectives were not being realized in the United Nations, the Soviet union sought to change the character of the organization. It sought to give expression to this determination by urging a reform in the office of the secretary general itself. It did so by proposing the principle of the troika instead of the secretary general operating as he does now under article 99 of the charter as one who speaks, not for any one nation but for the interests of all of the nations, which they regarded as something not in their interests.

Canada resisted their proposal, and the Leader of the Opposition in speeches he made in this house and elsewhere supported the government in the expression of support they had given through the Secretary of State for External Affairs and others in joining the majority view that that kind of procedure would result in the emasculation of the United Nations itself. This problem has been temporarily met and it has been met by catastrophe. The death of the secretary general created a hiatus of which the Soviet union took advantage to seek again to urge a majority of the United Nations to accept its recommendation for a division of the office of secretary general to take into account the three important divisions of world opinion—the western world, the communist world and the uncommitted world. Undoubtedly we shall have to face this situation in 1963 when the office of secretary general will become vacant and when an opportunity will be provided to elect a permanent secretary general.

In talking about a permanent secretary general, I have never mentioned this before but I should like to take this occasion to note this fact for purposes of the record. I think it should be noted that there is a long history attached to the office of secretary general that is not unrelated to one of the members of this house. I hope he will not be embarrassed by what I am going to say tonight. In 1946 I was one of the delegates from this country at the United Nations first general assembly that was held in Church house in London. I was privileged to go there with the then minister of justice, Mr. St. Laurent, later to become Prime Minister of Canada.

At that time, following meetings of the preparatory commission which had met in London during the fall of 1945, a number of names were being discussed for the office of secretary general and among those names were the following: General Eisenhower as he then was, later to become president of the United States, Monsieur Henri Spaak, then foreign minister of Belgium, the present Leader of the Opposition who was then under secretary of state for external affairs, and Mr. Trygve Lie. I do not think I do any injustice to Mr. Lie when I say that at first his name was not a prominently mentioned as other names.

General Eisenhower indicated that, if offered the position, he did not propose to accept it, and Monsieur Spaak, for reasons best known to himself, indicated early in the proceedings that he would not be a candidate. But I can attest because I was there that the name that was most prominently bandied about from one delegation to another was that of the Leader of the Opposition. That was in 1946. As we all know, Mr. Trygve Lie, who was at that time foreign minister for Norway, became secretary general. Mr. Vishinsky, then foreign minister of the Soviet union and the head of the Soviet union delegation, indicated in a press interview the reasons why Mr. Trygve Lie had been selected, and among those reasons was the fact that he came not from a commonwealth country but from one of those areas of the world where it could be said a greater measure of apparent neutrality in foreign affairs prevailed.

Mr. Trygve Lie served with distinction as secretary general of the United Nations. He resigned and when he was not asked to carry on it became necessary to elect someone in his stead as permanent secretary general of the United Nations. At that time the present Leader of the Opposition was

president of the United Nations general assembly. I was with him at that time as head of the Canadian delegation and again I can attest to the fact that it was almost the unanimous wish of every nation in the United Nations at that time that Mr. Lie's successor should be the present Leader of the Opposition.

The security council met one day. Ten of the eleven members indicated their preference for the present Leader of the Opposition. The Soviet union indicated that the Leader of the Opposition's name would not be acceptable. I want to say now, as one who went through those days and who perhaps more than anyone else knows what happened, that the reasons which motivated the Soviet union in rejecting the present Leader of the Opposition as secretary general were reasons that were associated with the view that as one of the architects of NATO he would not be acceptable to them.

The communists did not want him. That was the real reason. I think all Canadians in this country who do not know the details of this episode should be so informed. I do not want to embarrass the Leader of the Opposition in recounting these details. However, he was the choice of most of the nations because he incorporated, in everything that he had done, something that I think is symbolic of the convictions and the feelings of the Canadian people, that is the belief that in this interdependent world, in this period of turbulence, if we are going to have peace in the long run it will only be by establishing on the international plane those processes of law, adjudication and conciliation that have proven so successful on the domestic plane. I think that every Canadian will be proud of the fact that one of our own was the overwhelming choice of most nations who would have preferred him. This is in no way to be construed as an expression of depreciation of the great services of Mr. Hammarskjold.

Mr. Chairman, I am sure that the Secretary of State for External Affairs may be assured that we support strongly the efforts of this government to make the United Nations a vital force in this world of ours. We support the present vote to enable Canada, its government, to purchase bonds, a rather unique device conceived I believe by the United States, to enable the United Nations to meet its present financial difficulties. All this does not mean that we regard everything as satisfactory in the United Nations. I think we can say this because Canada had a lot to do with extending the membership of the United Nations. We recognize that in supporting the principle of universality and giving it effect, problems have been created for all nations.

But this is the essence of the United Nations. We can only hope that wise statesmanship, patience in diplomacy, will enable us to see developed in the general assembly of the United Nations, those attitudes, postures and procedures that are calculated to make it more effective than seems to be the case at the moment.

While it is not easy, we ought to try to develop a tradition in the general assembly to resolve some major issues at least by other means than merely voting. Some of these great issues of international consequence cannot be resolved by vote. The procedural questions are of a different order, such as whether there should be 10 or 14 members on the disarmament committee. That is another matter. However, the great issues that divide the world, the great issues involved in policy are such that I would hope the reputation Canada has built up over the years would enable us to make a contribution in the assembly by indicating to the newer members, towards whom we have much in common and towards whom we have great sympathy, that the way to resolve many of these issues is not always by the mere act of voting.

On the other hand, we want it to be clearly understood that if there have been abuses, the abuses do not lie on one side alone. When we think of the attitude of some of the great powers between 1946 and 1955 particularly, even up to the present time, we see that the abuses were by no means the monopoly of the newer members of the United Nations. We recognize, too, that there have to be changes made, changes in the security council to take into account the number of newer members; changes in some other organs of the United Nations to likewise take into account the increases in United Nations membership. These are things, however, that we can only deal with in the light of circumstances at the time. I believe that the words of Mr. Nehru, delivered in the 15th general assembly, are perhaps applicable here. He said:

> It would not be desirable for the executive to be weakened when rapid decisions have to be made; that would mean abdication of responsibility undertaken by the United Nations. If the executive itself is split up and pulled in different directions, it will not be able to function adequately and with speed. There is always a particular time when decisions have to be made and this applies equally to the United Nations.

The minister may be assured that we in this party believe that Canada is taking the right course in having decided to purchase these bonds. The necessity for the creation of this issue of $200 million does not represent

the bankruptcy of the United Nations, although in actual financial terms that may be the case. It represents rather the dangerous situation in so many theatres of our world in which the nations of the world have been projected. It is because the United Nations has a role to play that it finds itself at this time in the embarrassing position of having to devise a method for obtaining financial assistance beyond the normal procedures provided in the regulations under which the United Nations operate. When we think of the moneys that are being spent all over the world on armaments, how anyone could criticize the United Nations because it has resorted to this particular form of financing is difficult to understand.

I have taken the liberty tonight of saying these things with which we all agree because I think it is appropriate that in this parliament those of us who believe in the rule of law amongst the nations should fearlessly affirm our faith in the purposes of the charter, recognizing at all times its weaknesses, but firm in the conviction that it is the only instrument in the long run by which we can hope to make any progress in laying a solid foundation for peace amongst the nations of the world.

Mr. Aiken: Mr. Chairman, I should like to say just a few words on this item when it is being considered. Last fall I had the privilege of being one of the Canadian delegates to the 16th assembly of the United Nations and, at the assembly represented Canada on the second committee. No one, I think, has any doubt that the United Nations is now facing a serious crisis. This is brought about by two particular matters: First, the financial problems with which we are being faced tonight because of the delinquency of some members of the United Nations. This has resulted in the United Nations going to the governments of member nations and asking to borrow funds with which to carry on the work of the United Nations. The second problem results from the material change in the balance of voting power which is unpalatable now to some of the great nations who contribute largely to the finances of the United Nations. There is a potential danger of the day arriving when a majority of the members of the United Nations may vote money matters to which the majority contributors are not prepared to contribute. When that time comes, although I hope it will not, there will be a very serious crisis in the United Nations.

A change in the voting procedure on money matters is one of the changes which I believe must be effected in order to keep the United Nations operating. Even municipalities in this and other countries recognize there is a difference between voting on matters of principle and voting money supplies, and even the municipalities have separate rules for the type of voting procedure as between two different matters in principle. I believe the United Nations will have to grapple with this very difficult subject in order to avert the day of crisis.

To deal specifically with the item under consideration, it is my belief no one will deny that the small sum which we are being asked to vote tonight for the purchase of bonds is very insignificant in the light of armament and other tremendous expenditures made to maintain peace in the world. I would go further and say we in this parliament should be prepared to leave the way open for further contributions should the United Nations not reach its objective after all the countries have been canvassed and their contributions received.

Canada has always taken its fair share in the work of the United Nations. It has been a respected member and has contributed to every worth-while project that the United Nations has sponsored. Therefore I heartily approve the expenditure of this sum of money for purchasing the bonds and I express the hope that if further funds are required Canada will not be found wanting.

In conclusion I want to express my appreciation of the very great work our Secretary of State for External Affairs has done to maintain and increase the great stature which Canada has gained among the nations of the world.

Mr. Green: Before the vote carries I should like to make one or two points. Reference has been made to bonds being purchased only by the members of the United Nations. That is an erroneous idea. For example, it is hoped that West Germany would buy quite a substantial amount of bonds as well as various specialized agencies of the United Nations itself. The bond issue is not restricted in any way to those countries which are members of the United Nations.

To date the subscriptions come to $136,810,000, including $100 million which it is anticipated will be paid by the United States. The United Kingdom is the second largest subscriber with a sum of $12 million, and next comes Canada with $6,240,000, Sweden $5,800,000, Australia $4 million, Denmark $2.5 million, India $2 million, Norway $1,800,000, Malaya $340,000, Ireland $300,000, Pakistan $250,000 and Burma $100,000.

Canada was the first country to subscribe to this bond issue and we co-sponsored the resolution which provided for the undertaking of the bond issue. We are very hopeful that the total issue will be subscribed.

Another important factor is that there has been the reference to the international court

of justice in the hope that that court will decide that payments for such operations as the Congo operation should be considered as regular assessments. If that is done I believe there is a very good prospect that most members of the United Nations would pay their regular assessments, which would mean they would be paying their share for the refunding of this bond issue. As I told the hon. member for Essex East some days ago, Canada has placed a submission before the international court of justice and we are very hopeful that the decision which is finally made will be to the effect I have mentioned.

Mr. Pearson: This vote for $6,493,500, which we on this side of the house certainly support, is made necessary, as the minister and the hon. member for Essex East pointed out, by the additional expenditures incurred by the United Nations and by the refusal of certain members of the United Nations to discharge their financial obligations in respect of those expenditures as well as in respect of normal expenditures. These additional expenditures have to do with such special and vital activities of the United Nations as the operations in the Congo.

I have not the figures at my command. Perhaps the minister has, but I know that the expenditures on these special operations like the Congo will soon run into amounts which will be comparable to, if not in excess of, the ordinary expenditures of the United Nations. This of course involves a new problem of finance, a problem which if it is not solved will create grave problems and dangers for the future effective existence of the United Nations.

There are member states who are in default of their ordinary obligations and the charter, at least in theory, has a way of dealing with that, but there is no provision in the charter, as I understand it, for dealing with special expenses for special activities. If they do not do so now, these will soon involve sums in excess even of normal expenditures. It is one thing to be in default of normal expenditures. We have some way of dealing with that in the charter, and I shall return to that in a moment.

But there is no way of dealing with these special expenditures in the sense that any particular obligation can be imposed on any particular state to pay its share. We are now getting into a position at the United Nations where if a member of the United Nations does not accept a particular operation—if it votes against a particular activity of the United Nations—it then claims it has no obligation to bear its share of the expenditures of that activity.

The best example of that, I suppose, is the Congo, where the Soviet union and the other communist states have washed their hands of all responsibility financial or otherwise for an activity of which they do not approve, at least in the form in which it is being carried on, although they voted for it in the first instance.

The Soviet union and the communist members are the most striking examples of this default, but there are other countries too. There are countries of the west which have taken the same attitude; they do not support the decision of the United Nations in respect of a particular matter and they will not pay their share of it. What do we do? We are now floating a bond issue in order to take care of these emergency expenses. The United States, which is always under criticism by these countries which do not take their share of these international responsibilities, is of course going to be asked to bear the great share of the burden. One hundred million dollars out of $136 million is to be taken up by the United States. If the United States does not do this, what will happen to the United Nations? There is only $36 million to be taken up by the other members, and with regard to that amount I think only eight, nine or 10 members have indicated that they will do anything at all. I think that is what the minister said a moment ago.

This is the problem, and I am glad this problem of the obligation of members of the United Nations in respect of the financing of these particular activities has been submitted to the world court. I hope the world court will come up with the kind of solution the minister has mentioned. That may be a good solution, but it will be one thing to get the verdict of the court and another to get the members of the United Nations to accept that verdict in terms of payment.

As my hon. friend from Essex East tells me, it will only be an advisory opinion in any event; it will only have the weight of an advisory opinion. So this is a very serious problem. It would be the tragedy of all tragedies if the United Nations were allowed, perhaps not to collapse—because it cannot collapse; it cannot be permitted to collapse—but if these activities were diminished because funds could not be found for that purpose, funds which are very small indeed in relation to the expenditures on modern armaments by some of these countries which are refusing to pay anything for this. We on this side of the chamber hope, Mr. Chairman, that this money will be made available in the way suggested.

I should like to ask the minister one or two questions. He has said that the United States is proposing to take up $100 million. I take it that this matter is now before congress. I do not think it has been approved

by congress yet. What will happen if congress does not approve of it, we do not know, but it will certainly involve a very serious problem for the organization in New York if the United States—and I hope this will not happen—does not find it possible to pay as its share such a high proportion of the total amount that is required.

Mr. Chairman, in this house on January 22 the Prime Minister had this to say in respect of the default of members of the organization on their ordinary contributions and in respect of the application of article 19 to members who are defaulting. This article is a way of dealing with these members. If they are in default after a certain length of time—I think it is two years—and if there are no circumstances which are considered as mitigating by other members of the United Nations, their franchise can be taken away from them.

I am not suggesting that this would be a wise course of action to follow. It has not been followed in the past. If it had been followed in the past we would have been in great confusion and difficulty at the United Nations. There have been cases in the past when nations were four or five years in arrears and then paid up. Therefore I am not suggesting that this should be done at this time. However, the Prime Minister did say at that time:

> There should be no free riders in an international organization designed to maintain and preserve peace.

Therefore I should like to ask the minister what steps, if any, the government proposes to take to implement that statement of the Prime Minister that there should be no free riders; and is this a matter which the government proposes to take up at the next assembly of the United Nations in respect of those members who are now more than two years in arrears?

Mr. Green: Mr. Chairman, we believe that if the court's opinion is in the affirmative, then the United Nations will have improved its prospect for insisting upon the payment of assessments for the United Nations emergency force and for the Congo force, and for taking action against the defaulters. But it has not been considered practical to invoke article 19 which, as the Leader of the Opposition has mentioned, concerns the suspension of voting rights in the assembly, in the absence of an authoritative opinion on the legal obligation, in view of the actual response of members to the financial assessments levied for the emergency force and for the Congo force.

The court's opinion is to be rendered in time for the 17th session of the assembly, which will begin about the middle of September. If that decision is favourable, then I think there would be much better ground for taking action against defaulters; but in the meantime there is nothing practical that can be done to deal with the question of the nations which are in default.

Payments are made from time to time, and in some cases nations simply are not able to pay. We do not quarrel with their failure at all. But it is in the case of the nations who can pay and will not pay where the blame is due. As the Leader of the Opposition has said, the communist countries will not pay anything either for the United Nations emergency force or for the operations in the Congo, and some other countries—some of our best friends—will not pay anything for the Congo operations. The question of expelling members of the United Nations or depriving them of the vote for failure to pay is a rather complicated one. There is some doubt as to the effectiveness of the working of the organization as a whole if action of that kind was taken.

Mr. Martin (Essex East): Does the minister have readily available the list of states in arrears and the length of time for which they have been in arrears?

Mr. Green: I have not got it by states, but as of January 31, 1962, four states—here I am referring to arrears on the regular budget—were in arrears on 1959 contributions amounting to $37,885. Fourteen states were in arrears for 1960, amounting to $3,127,709.80 and seven of those had paid something on account. Forty seven states were in arrears for 1961—this was as of one month after the end of the year—amounting to $9,066,297.63. Of those 47, there were 18 had paid something on account. Communist countries, I believe, keep up their assessments on the regular budget.

The position with regard to the special peace keeping operations is of course very much worse. Twenty nine states were in arrears for 1957, amounting to $3,988,931; eight had paid something on account; 31 states were in arrears for 1958, amounting to $7,272,756; two states had paid something on account; 36 states were in arrears for 1959, amounting to $4,415,462; one state had paid on account; 41 states were in arrears for 1960, amounting to $4,768,882.75; two states had paid on account.

Mr. Martin (Essex East): Did that last figure relate to 1960?

Mr. Green: Yes. To continue, 73 states were in arrears for 1961, amounting to $5,060,074.18; three states had paid on account. I point out again that that was only 31 days after the end of the year. That was for the United Nations emergency force in the Gaza strip.

For the Congo force, 66 states were in arrears for 1960, amounting to $18,844,853,75; 3 states had paid on account; 78 states were in arrears for 1961, amounting to $33,125,008; 2 states had paid on account. I believe the hon. member referred to 82 states.

Mr. Martin (Essex East): I said 82 or 87.

Mr. Green: Yes. Actually 78 states were in arrears for 1961.

Obviously the position is extremely serious. Canada has been very active in trying to get something done about this situation. We were a member of the small working group which devoted a great deal of time to this during the whole of last year. Also we were one of the co-sponsors of the resolution providing for the bond issue.

I think it should be pointed out again that if the decision of the international court of justice is to the effect that assessments for the repayment of this bond issue are to be considered in the same category as assessments for the regular budget, then there is far more likelihood that the payment will be made. Of course, we are hopeful that the decision of the court will be to that effect.

Mr. Pearson: Mr. Chairman, I believe the total amount involved in this bond issue is $136 million odd. It is interesting to note that the main reasons for this are the special activities of the United Nations such as those in the Congo, and the United Nations emergency force in Palestine. But one source of additional expenditure to the United Nations and one source in which we can all take pride is the fact that the United Nations activities have been so greatly widened and extended because of the inclusion in its membership of a number of Asian and African countries which were not long ago colonial territories.

Seven or eight years ago the ex-colonial territories members of the United Nations who were then members of that body, could have been numbered on your two hands. Now there are 25 or 30, I should think, members of the United Nations who only a few years ago were colonial territories. Because of the weakness of their economy, they cannot, of course, make any great contributions to the United Nations in terms of money and I suspect their contributions are assessed at a very low percentage of its costs. They do, on the other hand, add to the expenses of the United Nations and this is an additional expenditure which I am sure the other members are very glad to bear except perhaps those members of the United Nations which have their own colonial territories which are not likely to become members of the United Nations; and I am talking about the communist empire.

I wonder whether the minister in respect of the $136 million which is required and of which we are being asked to contribute roughly $6.5 million could relate that expenditure to the cost of operations in the Congo, let us say, since the operations began. I may be wrong but I would not be surprised if the costs of the Congo operations would be in excess of the figure of $136 million. If that is the case, that itself would explain the necessity for this extra amount about which certain members of the United Nations refuse to do anything.

Mr. Green: The cost of the Congo operation is running, I think, at approximately $10 million a month.

Mr. Pearson: Ten million a month?

Mr. Green: Yes. I do not know where the Leader of the Opposition got his figure of $136 million. That is the amount that has been subscribed. The bond issue is for $200 million which it is estimated will allow the United Nations to carry on until the payments come in under the regular assessments for the amount required to be refunded.

Mr. Pearson: I am sorry, Mr. Chairman, I was wrong in my figure. The minister now says that $200 million is being asked for and that $136 million is, we hope, being subscribed by those members who have already indicated their intention so to subscribe.

Mr. Green: Provided the United States will contribute $100 million.

Mr. Pearson: Yes. That leaves, of course, another $64 million to be raised by other members which have not yet indicated any intention. If in fact $136 million or $140 million is subscribed that will only carry the United Nations through the Congo operations for a year, roughly, at $10 million a month. That would not be enough to meet the expenses of the Congo operations since they began, at the present rate. This underlines the serious financial position of the world organization and the necessity of doing something about it above and beyond even the present subscription of $200 million, if that is all subscribed. This is one temporary way out of a very great difficulty, but it is only a temporary solution to this difficulty.

Mr. Green: That is right.

Mr. Martin (Essex East): Mr. Chairman, we are discussing further methods by which we can meet the current financial difficulties of the United Nations organization which the Prime Minister referred to last fall, speaking

in Toronto, when he said that it was the government's intention at the next general assembly, presumably that of next September, to move a resolution condemning the Soviet union for its colonial policy, its subjugation of former nations, of people who formerly enjoyed the advantages of a free society. I think the house generally will agree with the observations made by the Prime Minister on that occasion, as indeed we had, in the condemnation levelled against the Soviet union's colonial policy and its practice of a new type of imperialism, as set out in the speech he made to the general assembly in the autumn of 1960.

I think it should be noted that what the Prime Minister said on that occasion in the United Nations, and what he said last fall regarding Canadian intentions for the assembly in the fall of 1962, did not break new ground.

I would not wish anyone to misunderstand what I am saying. I think it was well that the Prime Minister of Canada spoke the mind of the Canadian people and expressed the views of those in this house with regard to this matter. In a matter of such importance, I think it equally important to remember, however, that the Leader of the Opposition in particular, the prime minister in the former government as well, and others, too, took opportunity from time to time at the United Nations to use the procedures there available to condemn the Soviet union for its policy of subjugation, for its denial of the normal processes open to people in a free society. I think it is well that we recall some of the words that were used by Canadian spokesmen in the general assembly as well as in this house.

The Prime Minister said that at the next general assembly the Canadian government would cause to be placed before the general assembly a resolution condemning the Soviet union for its colonial policy. At that time I expressed the view that, commendable as was the Prime Minister's statement, it was regrettable that we should have waited until the next general assembly. He spoke in the month of November. The general assembly was still in session. There was actually before the assembly at that time a resolution that did not embody the precise terms of the Prime Minister's intention but to it could have been an annexed amendment, expressing Canada's view of the regressive step taken by the Soviet union towards the subjugated nations of Europe.

I expressed the view that the government of Canada through the Prime Minister ought to give instructions to the Canadian delegation to see to it that we expressed condemnation right there and then in the general assembly, at a time when the Soviet union was attacking Britain as well as other countries for its colonial policy, overlooking of course the progress that has been made notably by Britain in this regard. However, that step was not taken. I am not rising to oppose the intention to do that kind of thing at the next general assembly. However, what the Prime Minister said was not new. There are many people in this country—and some of them are represented by distinguished members in this house—whose friends and relatives, many of whom are now dead, have become the victims of Soviet imperialism and colonialism. For instance, I have before me some observations made by the Leader of the Opposition in the general assembly of 1949 when, among other things, addressing himself to Mr. Vyshinsky, the spokesman for the Soviet union, he said this on December 1:

> If Mr. Vyshinsky really wishes to do something about the preservation of peace, he should try to persuade his government to pay some attention to the fear in the world of this new imperialism; to the concern which is deep and widespread about the methods which it adopts to spread its influence, and the threats to peace which are inherent in those methods.

Then he went on to say this:

> Within the USSR sphere of influence—the new Soviet empire—have been included many peoples who previously had their own free governments: Finns, Estonians, Ukrainians, Latvians, Lithuanians, Poles, Rumanians.

He expressed the same view in more general terms on September 26, 1949, in the same general assembly. Then on September 27, 1950, speaking on a resolution having to do with the war in Korea the Leader of the Opposition said as follows:

> This war in Korea is but the continuation by armed and open aggression of the policies which communist imperialism has been pursuing by other means. It is part of the theory of communism that the disruptions and dislocations of a post-war period give to the communist minority its best chance to seize power by force and maintain it by the terror and repression of a police state. Systematically the forces of communist imperialism, in these last years, have been trying out their theories in the four corners of the world.

Then again in 1956, he spoke in the general assembly. On November 4, 1956, he said this:

> This is a sad—

Mr. Jones: I rise on a point of order, Mr. Chairman. I do not like to interrupt the hon. member for Essex East in his third or fourth speech since eight o'clock but I wonder whether he could relate his remarks to the item we are considering, namely item No. 688 of the estimates. It would be helpful if that could be done.

Mr. Pickersgill: Since the hon. member has seen fit to interrupt my hon. friend in order to raise a point of order, I should like to say a word about the point of order. As hon. members know, an attempt has been made to bring a certain matter before the United Nations. We are discussing an item having to do with the financing of the United Nations. It seems to me that what my friend the hon. member for Essex East was doing on this occasion was showing that the government, in taking this course which my hon. friend was supporting, was operating on historic lines which had been followed by Canada under the previous government as well as under this government ever since the United Nations was established. It seems to me that on this the eve of the anniversary of the birth of the great Ukrainian poet Shevchenko, thinking as we do of the thousands of our fellow citizens whose families and friends are behind the iron curtain, we should not attempt any narrow interpretation of the rules in connection with a subject of such deep interest to them and one which the government itself has said should be considered in the United Nations.

Mr. Jones: Speaking further on the point of order, Mr. Chairman, may I say that it was certainly not my intention nor did I wish to suggest a narrowing of the debate beyond its proper limits. As is the case with the hon. member for Bonavista-Twillingate, I am prepared at all times, as I have done in the past, to pay tribute to Taras Shevchenko, that great poet of the Ukrainian nation. I do not know how that subject got into the debate but inasmuch as it has I am sure that all members of the committee will take advantage of the opportunity to affirm again support for this great poet. However, on the point of order, Mr. Chairman, I merely wish to bring to your attention the suggestion that the energies of the hon. member for Essex East and his remarks should be directed towards the particular point we are discussing.

Mr. Martin (Essex East): I thank the hon. member for his contribution. As was said by the hon. member for Bonavista-Twillingate, I was simply expressing my approval of the general statement made by the Prime Minister on this important matter, one which concerns so many groups in this country, and to which he intended later to give expression in the United Nations, as indeed he did himself a year ago. In discussing this matter so related to the United Nations which we are discussing I was simply pointing out that the course followed and the observations he made had been pursued and made by those who preceded him.

Mr. Macdonnell: Is anyone questioning that?

Mr. Martin (Essex East): Yes. I am grateful for that question. My hon. friend knows perfectly well that there are those who question this. That is why I have taken the time of the committee to put before it this vital matter, one that affects many people in this country. I have many of them in my constituency. They expect me and others to deal with this matter. There are people who question it. What I was saying was this, however. I was referring to a quotation of remarks made by the Leader of the Opposition on November 4, 1956 when, addressing himself again to the colonial policy of the Soviet union, he said this:

> Mr. President, notwithstanding the words of the Soviet delegate, in the past 24 hours we have witnessed in Hungary one of the greatest and grimmest betrayals in history.
>
> This is a sad and desolate moment for all who have been striving for the extension of freedom and justice throughout the world.
>
> For ten years all the resources of a great empire were used to weaken and destroy all feeling for national and personal freedom in Hungary and the other countries of eastern Europe on whom communist regimes have been imposed after world war II by foreign forces.

Are we not all happy in this House of Commons to know that not only the present Prime Minister and the Secretary of State for External Affairs but the Leader of the Opposition, as leader of the opposition and more particularly as secretary of state for external affairs, and the two prime ministers who were in office prior to this government's coming into office and after the foundation of the United Nations in 1945 all gave expression to views which in principle were of the same character and tenor. It is important to realize that what the Prime Minister said was a continuation of policy. When we realize the freedom that we enjoy in this country and that people in the other free lands of the western world and elsewhere enjoy, when we think of the subjugation of people in Czechoslovakia, Poland, Hungary, the Ukraine and elsewhere, I think it is up to us in this free parliament to take whatever means we can to assert our dissatisfaction with the policies of a government that have resulted in such subjugation. That is what the Prime Minister and others in Canada have done.

My final comment about this is that I would have preferred the Prime Minister not to wait for the next general assembly but, as I said, to have instructed the Canadian delegation to take formal action at the last assembly to express once again, as was expressed by others in other years, our regret that colonial policy as practised by the Soviet union had resulted in the denial to so many

millions of people behind the iron curtain of that freedom which we all cherish and regard as vital for the development of human personality.

But there is one other aspect of this matter, in addition to taking steps at once, which occurred to me last fall and to which I gave expression after discussing it with members of our party. The United States, through the president had said that if there was going to be a general conference on a divided Berlin and a divided Germany, it would be anxious to see that the subject matter of such a conference should not be confined to the question of a divided Germany or a divided Berlin. I think it was the United Kingdom government that said that such a conference should deal primarily with that question. The United States thought at that time at least that such a conference might encompass a discussion not only of the problem of Germany but of the major problems that divided east and west at that time. While we are not one of the occupying powers, it occurred to me, because we have at least a constitutional link with the declaration made by the occupying powers as to their right of access to West Berlin, that if there was going to be a package deal, Canada might seek to persuade the major western powers that they should include on their agenda a consideration of the problem that we have been discussing in the last few minutes and that part of the settlement should be the restoration of freedom to the people in these subjugated lands.

I do not know whether the government has taken any steps along this line, but I suggest to the Secretary of State for External Affairs, who I know is interested in these matters, that in his discussions with his opposite numbers, particularly from the United States and the United Kingdom, he should express what I believe the Canadian people would want him to express, that is our view that in the settlements we seek to make with the Soviet union to bring about a better understanding between east and west, consideration should be given to the steps we feel should be taken by the Soviet union to accord to the people of the subjugated nations the freedom which, since the United Nations came into being in 1945, has been accorded to over a billion people who now enjoy freedom under the canopy of self-determination, extended to them in many instances as a result of the decision of former colonial powers. This is a matter that concerns many millions of people in the world. I do not think for one minute that any hon. member will take exception to the views I have expressed tonight.

[Mr. Martin (Essex East).]

I am glad to have put on the record not only the views of the Prime Minister, but alongside them, the views on the same subject of the Leader of the Opposition, uttered at a time when he had the opportunity open to him as a member of a government to express the strong feeling that Canadians have against the subjugation of these people, whose sons and daughters now take part in the Canadian family. This should be one of the objectives of our foreign policy. I am sure it is. If it is, we should not hesitate to speak about it in this house.

Mr. Green: Mr. Chairman, the hon. member for Essex East really has not been aware of just what has been going on. I think most other people in Canada know that the Prime Minister in particular has been in the lead among all western statesmen in urging that these subjugated peoples must be freed. All that is necessary is to read and to follow the reports in the Russian press to realize who it is who is considered to be the main western statesman demanding freedom for these peoples.

It is all very well for the hon. member for Essex East to wake up on March 8, 1962, and realize that there is a problem, but the government acted on it many long months ago and has been acting continuously during the intervening period. At the United Nations in the fall of 1960 when the heads of state were in attendance it will be remembered that Premier Khrushchev made his strongest appeal on the question of colonialism. He demanded that all colonies should be freed by the end of that year. The reason the Soviet leader did this was that all of the new members of the United Nations, particularly the African but also some Asian countries, are highly emotional on the question of colonialism. They cannot understand why anybody in the world should have to live in a colony. The Russians never lose an opportunity—those of us who have been in New York have seen this—to try to make trouble for the west because of this deep conviction of the African and Asian countries. This was Premier Khrushchev's main line of attack in the session of 1960. He made an exceedingly strong speech on the question of colonialism. It fell to our own Prime Minister to be the first western leader to speak after Premier Khrushchev had spoken, and in his speech our Prime Minister devastated the arguments of Premier Khrushchev. There were Liberals there with our delegation and they told me personally that it had been a magnificent speech, one of the finest speeches ever made by a Canadian prime minister.

It had the effect of ruining the Russian initiative for the whole session of 1960 on

the question of colonialism. I am not questioning that speeches had been made in earlier sessions by those who then represented the government of Canada. But I do not believe there was ever a more magnificent speech made in the United Nations by any Canadian than the speech made in the fall of 1960 by our own Prime Minister. Certainly, there was never a more powerful appeal on behalf of the subjugated people of Europe.

Then, the hon. member for Essex East insinuates that last fall the Prime Minister should have had action taken in the United Nations. He knows very well, just as well as any of us who have been at the United Nations know, that this came up late in the fall just when the business of the United Nations was finishing. All the committees with the exception of the fourth committee, which is the trusteeship committee, finished their work before Christmas. It is true that the first committee met occasionally in the resumed session after Christmas, but practically all the work of the United Nations was finished before Christmas.

It would have been utterly absurd for an attempt to be made in the dying days of that session to tack on an amendment to some other resolution and hope thereby to deal with this question. The Prime Minister took the proper stand when he said in November that this subject would be dealt with at the next session of the general assembly. It is all very well to try to leave the inference that the Prime Minister made a big speech in 1960 and then did nothing about it ever since. If representatives are to be judged on that basis then I could easily say that the present Leader of the Opposition made a speech in 1949 and then did nothing about it ever since. I do not make that accusation because it is not fair. On the same basis, I am afraid it is not very fair to the hon. member for Essex East to try to insinuate tonight that the Prime Minister of Canada has not been following up on this issue which is so dear to his heart and for which he has fought so long, even long before he came into this House of Commons.

We all recognize why this subject has been dragged in tonight. It was dragged in as a sort of pre-election speech. I do not doubt but that the people across the country will realize that is exactly what the hon. member for Essex East had in his mind. But do not make any mistake about it, the government has been fighting for the subjugated people of Europe since it came into power and will continue to do so. We only hope we will have the support of the opposition party in that effort.

Mr. Fisher: Mr. Chairman, I have been sitting here awaiting an opportunity to speak about jackpine and tamarack and the exotic air of the virgin forest. The debate in the last hour or so has inspired me to ask the minister a few questions. I should like to say that I feel there are a few lively ghosts in this house tonight. I am thinking specifically of the hon. member for Richelieu-Vercheres, the hon. member for Bow River and the hon. member for Middlesex East. It seems to me that these particular gentlemen, in their remarks in the very recent past, have had a decided effect upon everything that has gone on in the house tonight. For that reason, I should like to come directly to the minister and ask him a couple of questions regarding comment that seems to be raging in the country and released to a certain extent by these gentlemen.

I should like to ask him first of all, has it been his experience in the United Nations that he has been hindered in any way in his operation through discovering that the former incumbent under a previous government of the position was considered to be soft to the communists?

Mr. Green: I am not going to comment on statements that are made outside this house by private members of the house. I suggest that the question now before the committee is on the financing of the United Nations.

Mr. Hellyer: Don't evade like the rest.

Mr. Fisher: Where has this discussion been? It has ranged all over and the minister is one of the ones who has been ranging.

An hon. Member: Get back to the item.

Mr. Fisher: This is an item relating to the United Nations and the discussion has ranged in many directions. The minister, not the least, has been responsible for that. Now, I should like to ask the minister straight. When you took over at the United Nations, did you find you were working under any handicap as the result of the performance of the Leader of the Opposition when he was secretary of state for external affairs? Can't you answer yes or no?

Mr. Green: Don't try to talk to me just in that way.

Some hon. Members: Oh, oh.

Mr. Green: If you are prepared to discuss the merits of any question dealing with the United Nations, I am quite prepared to answer a question of that kind. I am not going to deal with this. I have not made any allegations about any of my predecessors in the office of secretary of state for external affairs, and I do not intend to do so.

Mr. Pickersgill: Mr. Chairman, I think this is the first time I have ever taken any part in the debates on the estimates for the Department of External Affairs. I am moved to do so this evening for two reasons. I am moved to do so first because of the last observation made by the Secretary of State for External Affairs in reply to the hon. member for Essex East. I do not believe the latter part of what the hon. gentleman said was quite worthy of the rest of his contribution to the debate, and I will tell him why. The hon. member for Essex East commended the Prime Minister throughout. He commended everything he had done about this matter, but he did point out in doing so that what the Prime Minister was doing was following historic continuity going right back to the beginning of the United Nations. My hon. friend demonstrated this point over and over again by quotations.

Now, it seems to me that the Secretary of State for External Affairs might have shown the same generosity, the same largeness of spirit, that was shown by the hon. member for Essex East by saying, that is quite true; we have followed the continuity in this matter because it represents the views of all Canadians, as it does, except for a small minority of communists in this country. The kind of implication that the hon. gentleman was seeking to make, that some of us have these matters more at heart than others, I suggest is quite unworthy of him as I suggest it is unworthy of any other Canadian. I would not say for one single minute that, because in 1953, in Winnipeg, my right hon. friend Mr. St. Laurent, at a Ukrainian-Canadian conference said this:

> All decent Canadians share your desire to show the people in the Ukrainian homeland and the other countries dominated by communism who still long for personal liberty and national freedom that they are neither forgotten nor deserted.

I would not say Mr. St. Laurent felt more keenly about that than the Prime Minister. I would not think of saying it. I would say he felt as keenly, every bit as keenly. My hon. friend, the Leader of the Opposition, on September 26, 1949, long before the Prime Minister had any opportunity—I am sure the Prime Minister had the same sentiments, but he did not have the opportunity—said this, and I think the quotation has already been put on the record so I will not read it all:

> Imperialism of the old kind is a rapidly diminishing force—

Then, he went on to deal with this Russian imperialism, and to point out, as my hon. friend from Essex East has pointed out this evening, how repugnant it was, how dangerous it was for the peace of the world and for everything that decent men hold dear. That is what was done. It seems to me we have enough things to play politics about in this country without playing politics about which of us is most anxious to see other human beings liberated. That kind of politics we can well do without.

Mr. Jones: Why don't you shut up about it?

Mr. Pickersgill: I am not making comparisons.

Some hon. Members: You started it.

Mr. Pickersgill: As everyone knows I have a good deal of respect and regard for the Secretary of State for External Affairs, as a human being. I have a good deal of regard for his human sympathies and I do not believe there is any member in the house who is more anxious than he to see his fellowmen free in every part of the world; but I do not say he is more so than the rest of us, and I think he is modest enough that he would not say so either.

I suggest that we have an end to this kind of childish competition. It is only within the next day or two that Hungarians outside Hungary will be celebrating their national day. Why outside Hungary? Because those inside Hungary are enslaved by an imperialist power. At a moment in 1956 it seemed possible that the Soviet empire was cracking in Poland and in Hungary, when thousands of Hungarians rose to fight for the freedom of their country. I well remember when the Russians came in and ruthlessly overran them and they had to escape with nothing but their lives. What country of all the countries in the world did the most for those refugees to make sure that they would not be driven—because Austria could not support them—to return to Hungary which, if they had, would have been the greatest victory the communists could have won in all the years since the October revolution?

If it had not been for the contribution made by the government of Canada under my right hon. friend, Mr. St. Laurent, and under my hon. friend, the Leader of the Opposition, and with the warm support—I have never failed to acknowledge it—of the official opposition and other parties in the house at that time when we took the unprecedented step, never undertaken before in Canada, of admitting these people freely, paying their way, admitting them without health examinations or any other formalities, they would have been forced back under soviet domination. We in Canada admitted more Hungarian refugees than any other country in the world except the United States, and practically as many as the United States, and five years from that time these people are now becoming citizens of Canada and already have made a great contribution to this country.

Surely that is evidence enough of what all of us in this country feel about this question of the liberation of the enslaved people behind the iron curtain, and I suggest we have an end to this competition about who is their greatest friend. All decent Canadians want to achieve this objective and I suggest we get back to discussing the relative merits of our political parties in promoting the growth of our own country and in balancing the budget, and deal with those problems about which we can do something practical if we want to, instead of engaging—not inside this house but outside it—in what is becoming a campaign of mud-slinging in this country.

Mr. McGrath: You started it.

Mr. Pickersgill: I repeat sir that I commend the speech made by the Prime Minister. I commend everything he has done in this matter. I commend everything done by the Secretary of State for External Affairs and I would like to hear him, in the same unqualified way, pay the same tribute to others in other parts of the house.

Item agreed to.

DEPARTMENT OF FORESTRY

Forest research branch—

635. Operation and maintenance—further amount required, $80,000.

Mr. Fisher: In the discussion we had on the previous occasion on these estimates, towards the end the minister made a statement which was very much appreciated. I have no quarrel with it, but I made remarks during that discussion to the effect that I had found the forestry profession very confused in so far as its purposes and goals were concerned. Since then I have had some reaction from the foresters whose attention was directed to these remarks, and I want to make some further comments in relation to the forestry profession just to put on record more clearly what I meant.

The country at the present time has four or five forestry schools. Normally forestry is a four-year university course and it produces people who are trained in both the scientific and technical aspects of forestry, and with some experience in the matter of logging on the industry's side of it. The pattern has been that little over half these foresters go to work for the various pulp and paper and lumber companies across the country, with the rest going to work for various government agencies such as the one the estimates for which we are now discussing.

There is a tendency on the part of the industrial forester to look upon the government forester with a critical eye, because in most of the provinces his operations are supervised by the government forester. In addition the terms of the leases under which most companies operate follow the regulations and statutes put out by the provincial forestry services. This leads to one kind of a conflict between the two, but a further fact is that in both the provincial forestry services and in the industry itself the professionally trained forester has not as yet made many of the top positions. There still seems to be a preference for the man who comes up through the bookkeeping and business side of the operations to have managerial control, rather than someone who has been specifically trained in forestry.

To hon. members who may feel I am oversimplifying the case I can only suggest that they look very quickly at the large pulp and paper corporations in Canada and if they find two or three foresters—I think H. R. MacMillan is an exception—who have reached the very peak positions I would be very surprised.

In terms of this confusion you have the tension between the government forester and the industrial forester, together with the suspicion that exists in many cases. On top of that you have the general attempt of the forest industries, and I am not blaming them here, to escape as much as possible from the regulations and controls which they have to meet. In doing this through the Canadian forest industries' various associations, they have managed to create a climate of publicity that many people are accepting and yet many professional foresters, who know what they are saying is not exactly right, never object to it. As a consequence, when the foresters themselves get together in their meetings and professional groups, a great deal of time is spent really in discussing nothing but in trying to get away from this.

I want to pick an example of what I mean by the popular progaganda that is put out—I do not mean propaganda in a nasty sense at all—by the large forest companies. I have one here entitled "New sounds in the forest". It is beautifully coloured and illustrated and it is put out by Abitibi Power and Paper Company. I just want to read a few of the sentences from this brochure to indicate why I quarrel with the role of the professional forester at the present time. The first sentence to which I refer reads:

> The land cut over this year should have a similar crop 100 years from now.

This is what is ideal, but I wonder whether anyone who has been around the cut overs

in the boreal forest really thinks that information is very accurate. Later on this lovely brochure says:

> Except when fires and insect infestations occur, the result of planned cutting is a satisfactory new and natural forest 85 per cent of the time.

I would suggest that Abitibi cannot prove that 85 per cent figure; they cannot even come close to it. I would suggest, on the other hand, that Abitibi cannot be proved wrong on that 85 per cent figure. This is what I am suggesting to the minister he should get his professional foresters working on, because I have heard it from some foresters that cut overs in the boreal forest are coming back in perhaps 65 or 70 per cent of the sites, but in many ways no one is actually sure whether the stocking is adequate. No one has really worked out a policy for the sites when they are not coming back. Almost any forester in the boreal forest will tell you that the best spruces come off the swamps. The black spruce swamps are the source of the very best spruce, and yet that is where the regeneration is most inadequate and that is where you get thousands of acres in our part of the country where five, ten or fifteen years after the cut there is really nothing worth while growing and there is really no black spruce swamp of any kind; yet there is this statement in the brochure that says that 85 per cent of the time a natural forest comes back as a result of planned cutting.

The brochure goes on to indicate that there is a great deal of experimentation taking place in ways of cutting the forest so that they will get better regeneration. I do not know how much experimentation has really taken place in a genuine way. I know there are very many logging techniques being worked out. For example, we are now working on a machine that will walk into the bush, cut the tree, limb it and prepare it for loading on to the truck, all in one operation, doing away with the chain saw and the whole operation of cutting as we now know it in the forest.

These are the kind of statements that are made by these companies.

This is another one that is a real laugh to anyone who has been around a pulpwood limit. I have talked not only to logging managers but to the pulp cutters themselves. The kind of pulp cutters we have in northern Ontario today are not worrying about the small trees, but this is what the Abitibi brochure says:

> Trees which are too small to cut are left standing. Cone bearing tops and branches are scattered between skid tracks to provide seed for new growth and protection for the young trees already firmly established.

That is a lovely picture but it is not the actual practice in more than a fraction of the cases. This is not the minister's responsibility, but in the sense that these kind of practices, if they were indulged in widely, are good or bad, it is his responsibility to let us know, not the scale but whether they are worth while. This sounds very good, but it really is not the practice. It certainly is not the practice as I know it on the majority of the Abitibi limits in our area, and they are of considerable size.

Then we get this statement:

> Constant effort is being made to preserve the young trees present at the time of cutting and to develop economical logging methods that promote natural reseeding.

Well, I challenge anyone to visit any of the cleared cuttings in the boreal forest and see where a real effort is being made to preserve the young trees. The only way this can be done is to work on the cutters, because they are the people doing the job. I have spent hours watching cutters on pulp and paper limits and I have yet to see them worry about the young underbrush or young trees that are coming up. Their whole incentive is toward production. You cannot blame them for this; that is what they are paid for; the more cords they turn out, the more money they make. Therefore they cannot have top production and worry about the smaller trees or the smaller growth that may make the next forest. This is just not in their minds.

Here again I would appreciate having from the minister's foresters an assessment of the forestry education and approach of the average cutter in this country. One of the other points that is made in the Abitibi brochure is this:

> Our target is vigorous young pulpwood stands.

It goes on to say:

> However, as trees grow, they face the twin threats of fire and insect damage. Canadians, young and old, should be constantly aware that forest fires, eight times out of ten, are caused by human carelessness. A fire blackened forest is a scar which takes a decade to heal—a century to replace.

This may be very true, but there are a great many suggestions today that we need controlled burning in our forestry practices, and as yet I know of no really large scale studies in Canada by forestry experts to indicate how this can be done practically. The Abitibi brochure concludes with the sentence:

> But, nature through protection and wise forest management provides the forest of our future.

I think that nature through protection and wise forest management will provide the forests of the future, but I am very skeptical that management is providing it today. This, it seems to me, is the onus that is upon the minister's foresters to determine the methods by which this can be done.

Some hon. Members: Carried.

Mr. Pickersgill: No, Mr. Chairman. I think it is ten o'clock. There are one or two hon. members who have some brief observations to make. I would not anticipate that it will take very long.

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

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, I wonder if I could ask the house leader if he could enlighten us—I think he told us what we were expected to do tomorrow—and give us a preview of next week, particularly the early part of the week.

Mr. Churchill: Tomorrow, Mr. Speaker, we propose starting with Bill No. C-67, which relates to the proposed railway line in the Gaspe peninsula. That has been through the committee and might be completed very quickly. Then we will follow with the supplementary estimates.

I had hoped that we would finish the supplementary estimates this week because we are spending more than the normal time on supplementaries, and there will still be final supplementaries coming before us during this month. But uncertain as to whether or not we will complete the supplementaries tomorrow, I cannot forecast the business for Monday and Tuesday.

If we do not finish the supplementaries we might have to continue with them on Monday, because certain works will come to an end and people will be without pay unless we are able to get these supplementaries approved.

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

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

DEPARTMENT OF EXTERNAL AFFAIRS

A—Department—

625. Canada's civilian participation as a member of the international commissions for supervision and control in Indo-China—further amount required, $100,000.

626. Gift to commemorate the sesquicentennial anniversary of the independence of the republic of Mexico—further amount required, $2,500.

627. Gift to commemorate the inauguration of 'Plaza Canada' in Buenos Aires, Argentina, $1,100.

Other payments to international organizations and programs—

628. Assessments for membership in the international (including commonwealth) organizations that are detailed in the estimates, including authority to pay such assessments in the amounts and in the currencies in which they are levied—further amount required in Canadian dollars, estimated as of January, 1962, $2,400.

629. Purchase and transportation to British Honduras of skim milk powder, canned pork and other supplies for the relief of victims of the hurricane disaster and to authorize reimbursement of the agricultural stabilization board in respect of the purchase of such skim milk powder and canned pork, $70,500.

Loans, investments and advances—

External affairs—

668. To authorize the purchase in the current and subsequent fiscal years of United Nations bonds in an amount of $6,240,000 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars estimated as of January, 1962, which is, $6,493,500.

HOUSE OF COMMONS

Friday, March 9, 1962

The house met at 11 a.m.

CANADIAN CENTENNIAL

ANNOUNCEMENT OF GRANTS TO NATIONAL COUNCIL AND P.E.I. MEMORIAL FOUNDATION

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there are two announcements I should like to make in connection with preparations for the observance of the one hundredth anniversary of confederation. The first has to do with the Canadian centenary council, which is holding its annual meeting today and tomorrow. It has associated with it some 160 national associations, either directly or by way of affiliation. The council was established to stimulate interest and participation on the part of the general public in the preparations for the observance of the centennial of confederation.

I wish now to inform the house that, subject to the approval by parliament of the moneys involved, the government will make a grant under the National Centennial Act in the amount of $25,000 early in the fiscal year 1962-63 to assist the Canadian centenary council in its activities. Active participation by citizens everywhere in the country is essential if Canadians are to make the centennial one of the truly significant events in their history.

Second, subject also to the approval by parliament of the funds involved, an order in council will be passed early in the next fiscal year to provide an interim grant of $250,000 to the organization known as the fathers of confederation memorial citizens foundation to enable architectural work to be done in connection with the memorial buildings to be erected in Charlottetown by the foundation to commemorate the conference there in 1864. In addition there will be a grant, inclusive of the above interim grant, in the amount of one half the construction costs of the buildings in question, but not exceeding a total grant of $2.8 million.

It will be a condition of the main grant that the foundation shall not award a contract for the construction of the buildings until it has satisfied the appropriate officers of the federal government that the foundation possesses sufficient funds, including the grant, to cover the full cost of construction of the buildings in question.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, we on this side will support any government move, any request for funds, for the preparatory work which will be required to make this celebration, as the Prime Minister calls it, one of the significant events in our history. He can count on the full co-operation of this side in the work to be done.

Mr. H. W. Herridge (Kootenay West): The members of this group support wholeheartedly the government's proposals for the celebration of our centennial. However, for certain reasons, Mr. Speaker, we would like to know if the Prime Minister expects to be in office when the centennial is celebrated.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, the answer is in the affirmative.

[*Later:*]

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Prime Minister a very simple question arising out of his comment about the centennial committee. I wonder whether he can tell us who is the chairman of the centennial committee.

Mr. Pearson: Don't be ashamed.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I will secure a record of not only the chairman but of the other members for the hon. gentleman. I note that his curiosity has been aroused.

THE CANADIAN ECONOMY

TABLING OF REPORT "PRIVATE AND PUBLIC INVESTMENT IN CANADA—OUTLOOK 1962"

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I am tabling today the report entitled "Private and Public Investment in Canada—Outlook 1962" which summarizes the results of a recent survey of capital spending intentions. The survey, which is conducted annually, is designed to cover anticipated outlays for new plant and equipment, institutional and government facilities and housing.

Canadian Economy

Capital expenditure plans for all sectors of the economy, as outlined in this report, involve total outlays in 1962 of $8.6 billion. This is 6 per cent above the $8.1 billion actually spent last year. Higher capital spending is indicated for each of the major sectors of the economy, with business investment up 2 per cent, residential construction up 4 per cent and institutional and public building up 16 per cent.

Within the business area most of the added strength will be in key commodity producing industries. Capital outlays in manufacturing are expected to increase by 16 per cent, mainly as a result of expanded programs in primary iron and steel, non-ferrous metal processing and petroleum refining. Other areas of business where plans call for significantly larger capital outlays in 1962 include iron ore and non-ferrous metal mining, electric power and communications, and retail trade. Less will be spent in 1962 in pipe line and gas processing plant construction, new office building and in acquiring equipment for the commercial airlines, unusually large programs having been implemented in these fields last year.

The major factor contributing to larger outlays in the area of institutional and public investment is the greatly expanded program of technical school construction which has been made possible through extensive financial assistance by the federal government. Significant increases are also indicated in anticipated outlays for the construction of university and hospital buildings and for federal, provincial and municipal government projects.

Present spending intentions call for a higher level of investment in 1962 in eight of the ten provinces. Only in Alberta and British Columbia, where very large programs of pipe line construction were completed last year, is a lower level of capital spending anticipated.

A capital expenditure program of the size indicated will reinforce the expansion in general activity now under way in Canada. Higher outlays for both new construction and new machinery and equipment will mean increased activity in the construction and related trades and in equipment producing industries. The results of the survey show also that a continuing high proportion of the national product is being devoted to the renewal and expansion of capital facilities.

The two copies I am tabling have been printed in English, which has been the custom over the years. However, I am also having copies printed in French, and they will be made available very shortly.

[Mr. Hees.]

Mr. Speaker: I take it these documents are not submitted under statutory obligation. Will the house give the minister leave to table the documents in question?

Some hon. Members: Agreed.

[*Later:*]

REQUEST FOR TABLING OF CANADIAN ECONOMIC OUTLOOK, 1962

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I might direct a question to the Minister of Trade and Commerce and ask him if he could accompany the tabling of the document he tabled this morning by tabling the document called The Canadian Economic Outlook, 1962, which is prepared in his department.

CANADIAN NATIONAL RAILWAYS

TABLING OF ARRANGEMENT FOR OPERATION OF GASPE RAILWAY

Hon. Leon Balcer (Minister of Transport): By leave of the house I beg to table two copies of the draft arrangement with the Canadian National Railway Company as to the terms and conditions under which the company will act as agent of the crown for the construction, maintenance, management and operation of the Gaspe railway. The order in council to be passed setting out the terms and conditions as shown in the draft arrangement will constitute the agreement with the Canadian National, as was done in the case of the Hudson Bay railway.

FINANCE

REQUEST FOR COMMENT ON ESTIMATED FEDERAL DEFICIT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I would like to ask the Minister of Finance whether he would care to comment on the Canadian tax foundation's estimate of a $812 million deficit for the fiscal year ending this month, and an estimated $700 million deficit for the forthcoming year.

Hon. Donald M. Fleming (Minister of Finance): The Canadian tax foundation makes a study of this nature every year with varying degrees of accuracy in relation to what may prove to be the official government figures in this regard.

EXTERNAL AFFAIRS

TRUCE COMMISSIONS—REPORTED RUMOURS RESPECTING CANADIAN PERSONNEL

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I would like to ask the Secretary of State for External Affairs, in the light of the ugly rumours and speculation now prevailing in the newspapers, whether in the public interest he has any additional statement to make concerning Canadians now serving with the international truce commissions in Asia?

Hon. Howard C. Green (Secretary of State for External Affairs): I dealt with this during the debate last night. I stated at the time that I thought it would not be in the public interest for me to go further than I had gone, and I am still of that opinion.

Hon. Paul Hellyer (Trinity): As a supplementary question, when it is a matter of such deep concern surely in the public interest the minister should take the earliest opportunity to inform the house as to what this involves and the steps being taken.

Mr. Speaker: Order. I just want to say to the hon. member that it is hardly a supplementary question he is asking.

Mr. Green: In reply to the statement by the hon. member for Trinity I suggest that he look up the records when his party were in office, and I think he will find they did exactly the same thing.

Mr. Hellyer: I am sure if that is the case—

Some hon. Members: Order.

Mr. Hellyer: —it is no excuse. This is a serious matter.

Mr. Speaker: Order. The hon. member for Trinity is an experienced member of the house, and knows this is not a time for debate.

AGRICULTURE

PRAIRIE PROVINCES—REQUESTS FOR ASSISTANCE RESPECTING SEED AND FEED

On the orders of the day:

Mr. E. Nasserden (Rosthern): I would like to direct a question to the Acting Minister of Agriculture. Has the minister received any requests from the prairie provinces for assistance in providing feed and seed?

Hon. D. S. Harkness (Acting Minister of Agriculture): The federal government and the provinces of Manitoba, Saskatchewan and Alberta have been sharing jointly since last July in a program of assistance toward the cost of transporting fodder into feed deficient areas. This is still in effect.

Inquiries of the Ministry

Requests have been received from the provinces of Saskatchewan and Manitoba for the federal government to share with the provinces the costs of a program of freight assistance on seed where it is necessary to bring seed from a distance, and this is now under consideration. I may say that the hon. member for Timiskaming asked a somewhat similar question a day or two ago and this will serve as an answer to it.

TRANSPORT

INQUIRY AS TO REPORTS OF C.N.R. AND T.C.A.

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Transport and ask him when he will be in a position to table the annual reports of Canadian National Railways and Trans-Canada Air Lines, and when he expects it will be possible for the special committee dealing with government owned operations to convene in order to study these reports.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I expect these reports to be tabled toward the end of next week.

[*Later:*]

Mr. Chevrier: I should like to ask the Minister of Transport a supplementary question.

Mr. Churchill: I will take it as notice.

Mr. Chevrier: He was in the house a moment ago, and I see he is coming back to his seat now. In relation to his answer to my question a moment ago, that he expected to table the annual reports of the two crown corporations next week, I wonder whether the minister has been in communication with the presidents of these two corporations and whether he can tell the house when the special committee is likely to meet to discuss these annual reports.

Mr. Balcer: Mr. Speaker, whenever a decision is taken for the committee to sit, it will be announced in the proper fashion in the house.

TRENT CANAL—INQUIRY AS TO IMPOSITION OF TOLLS

On the orders of the day:

Mr. Walter Pitman (Peterborough): I should like to direct a question to the Minister of Transport. Is consideration being given at any level in the Department of Transport to the imposition of some form of tolls on the Trent canal?

Hon. Leon Balcer (Minister of Transport): No change in the present situation is contemplated at the present time.

Inquiries of the Ministry

(Translation):

DEPARTMENT OF FORESTRY

APPOINTMENT OF A FRENCH-SPEAKING DEPUTY MINISTER

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to address a question to the Minister of Forestry. Does he intend to appoint a French-speaking assistant deputy minister in his department? If so, could he give us his name?

(Text):

Hon. H. J. Flemming (Minister of Forestry): Mr. Speaker, the answer to my hon. friend's question is yes. Arrangements have been made to secure the services of Dr. L. Z. Rousseau, distinguished member of the faculty of Laval University and dean of forestry in that institution. He will be assuming these duties and responsibilities on April 1. The government and the department are very pleased that the services of this distinguished forester and educationalist will be available for the benefit of Canada in the important field of forestry.

INQUIRY AS TO APPOINTMENT OF UNDER SECRETARY OF STATE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister. In the light of one answer which we have received this morning, may I ask the Prime Minister when he will be in a position to announce the appointment of the under secretary of state.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have nothing to add to what has been said on a number of previous occasions.

BUSINESS OF THE HOUSE

EXTERNAL AFFAIRS—INQUIRY AS TO SETTING UP OF COMMITTEE

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Secretary of State for External Affairs if it is the intention at the earliest moment to set up the external affairs committee.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, that is a question to be dealt with by the house leader. The hon. member for Essex East knows that the estimates cannot be referred until they have been introduced. They have not yet been called.

LIVESTOCK

RABIES—COMPENSATION TO QUEBEC FARMERS FOR LOSS IN OUTBREAKS

On the orders of the day:

Mr. J. J. Martel (Chapleau): Mr. Speaker, I should like to direct a question to the Minister of Agriculture, or in his absence to the acting minister or his parliamentary secretary, notice of which I gave to his department. My question is as follows.

(Translation):

Could the Minister of Agriculture tell the house if his department has kept complete records of all cases of rabies among animals in the province of Quebec, since the beginning of its immunization program to check the ravages of this disease which even threatens human beings?

I should also like to proceed immediately with the second part of my question, which is: If the answer to the first part is yes, what was the amount of the compensation paid for animals destroyed because of this disease, under the agreement signed with the government of Ontario, and what share of these payments did the federal government pay?

Furthermore, is the federal Department of Agriculture willing to see that similar benefits are paid to Quebec farmers, many of whom have suffered from the ravages of this terrible disease, especially in the constituencies of Pontiac-Temiscamingue, Villeneuve and Chapleau—

(Text):

Mr. Speaker: Order. Before the hon. member comes to the third part of his question I think I should remind him that while the first part seemed to be relevant, long questions of that kind asking for statistical information are more properly put on the order paper and dealt with in writing.

Mr. Martel: Mr. Speaker, I humbly submit that the second part is very important, too, because this matter has been delayed for a long time.

Mr. Pickersgill: Like everything else by this government.

Mr. Martel: I have almost completed the second part of my question.

Mr. Speaker: Has the hon. member got his question fully on the record now?

Mr. Martel: Well, I gave notice to the minister.

CANADIAN NATIONAL RAILWAYS

CHATHAM, N.B.—REPORTED INTENTION TO CLOSE OFFICES

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): On Wednesday the hon. member for Northumberland-Miramichi asked a question concerning the Canadian National Railways freight and express offices at Chatham, New Brunswick.

I am advised by the management of the railway that studies have been under way concerning the handling of freight and express in the whole maritime area, but no decision has been made with respect to any change in the offices at Chatham.

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM, B.C.—SUGGESTED IMPOSITION OF CURFEW

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of Justice. My question is based on a telegram I have received from a representative of the fraternal council of reformed Doukhobors, generally known as the Sons of Freedom. It reads as follows:

I was instructed by fraternal council of reformed Doukhobors bring your attention re matters Kootenay district. February 19 council notified Magistrate Evans of Nelson in presence of R.C.M.P. that a curfew be in effect on our settlement. This was further brought to attention of Justice Minister Fulton, Ottawa—

Some hon. Members: Question.

Mr. Speaker: Order. I take it the hon. member's question relates to the imposition of a curfew as requested by the telegram. As was well pointed out yesterday, the immediate responsibility for curfew and such matters is not federal but provincial. If there is anything relating to the responsibility of the Minister of Justice, perhaps the hon. member would ask his question.

Mr. Herridge: I think there is a related responsibility. I shall not read further, but I wish to ask the Minister of Justice this question because he is interested in the maintenance of law and order in Canada. In view of this suggestion coming from the fraternal council itself that a curfew be imposed on their own community, would the minister bring this to the attention of the attorney general of British Columbia as it may offer a first step toward getting some control over this situation, with the voluntary co-operation of these people?

Inquiries of the Ministry

Hon. E. D. Fulton (Minister of Justice): I am sorry it has taken so long to bring out the facts, but this has already been done through the channels of the R.C.M.P.

Mr. Herridge: Very glad to hear it.

UNEMPLOYMENT INSURANCE

BRITISH COLUMBIA—PROVISION OF BENEFITS FOLLOWING DESTRUCTION OF POWER LINE

On the orders of the day:

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Yesterday the unofficial leader of the opposition, the hon. member for Kootenay West, asked a question regarding facilities for payment of unemployment insurance in the Kootenays as a result of the unfortunate incident which took place there. I may say that on March 7 the commission received a report that there were 300 people currently laid off and that a further 600 to 700 might be laid off subsequently. The chief commissioner and the director of insurance are now in Vancouver, and all the necessary steps are being taken to ensure adequate service.

INQUIRIES FOR RETURNS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I should like to direct a question to the Secretary of State. Can the minister inform the house when I may expect a reply to my question No. 31 on A. V. Roe steel operations, which was made an order for return on February 5?

(Translation):

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I must say that in all such matters we try to do what is necessary to gather all the required documents so that they can be tabled. My hon. colleague can rest assured that I will do my utmost to proceed with all possible dispatch.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, did the minister have time to make inquiries about the question I put to him yesterday?

Mr. Dorion: After making inquiries, I shall give the hon. member the same reply as yesterday.

Mr. Chevrier: But, Mr. Speaker—

Mr. Dorion: If the hon. member will allow me—I take for granted that he is familiar with the Secretary of State's duties—I shall remind him that after a motion for papers is made an order for return, my functions are

to ensure that the required research be undertaken so that the documents requested may be tabled. In this case various departments are involved. I am following the same procedure as always. In every case I attended to the matter.

Mr. Chevrier: Could the Secretary of State give me an approximate date on which those documents or that correspondence will be tabled?

Mr. Dorion: I would be very pleased to give this information to the hon. member, but it is impossible for me to do so, because it does not depend entirely on me but also on officials of various departments. It is difficult to give a definite date.

(Text):

HOUSING

SARNIA—DISCUSSIONS RESPECTING FEDERAL-PROVINCIAL PURCHASE OF PROPERTIES

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of Public Works. Has there been any discussion between Central Mortgage and Housing Corporation and the province of Ontario in respect to the possibility of a federal-provincial purchase of properties in the Blue Water area at Sarnia?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I wish to thank the hon. member for Trinity for giving me notice of the question. In reply I would say that there have been no discussions between C.M.H.C and the province of Ontario respecting federal-provincial purchases of properties in Blue Water under section 36 of the National Housing Act.

The hon. member may be referring to the Blue Water redevelopment project. This project within the confines of the city of Sarnia is actually under way and has been undertaken by the city of Sarnia with a federal contribution under section 23 of the N.H.A. That is for urban redevelopment.

One requirement of the N.H.A. is that the province approve the acquisition and clearance of the area by the municipality. This approval has been received. I understand further that the province of Ontario has agreed to make a contribution to the city.

Mr. Hellyer: I have a supplementary question. Can the minister say whether there is any agreement or understanding with the city of Sarnia that part of the lands be made available to the Polymer Corporation?

Mr. Walker: I should be happy to look into that matter, Mr. Speaker.

[Mr. Dorion.]

EXTERNAL AFFAIRS

DISARMAMENT CONFERENCE—INQUIRY AS TO CANADIAN ATTITUDE

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Secretary of State for External Affairs a question, which I put to him at this time because I understand he will be leaving on Monday to attend the disarmament conference in Geneva on the 14th day of this month. I am sure that I express on behalf of all hon. members our sincere wish that something constructive will flow from these deliberations. We wish the minister every success.

Is the minister in a position to indicate to the house the general attitude Canada will take? Are we going to support the general proposals already given by the United States, with the support that has attended that move by the United Kingdom? Bearing in mind the question asked of the minister yesterday by the Leader of the Opposition, has the minister's attention been directed to the statement of the minister of defence in the United Kingdom, Mr. Watkinson, who observed that the start in the talks ought to be a test ban agreement? He said this would not only alter the whole climate, but could be the beginning of general disarmament.

Some hon. Members: Order.

Mr. Martin (Essex East): Would the minister comment on this matter as well as give us an indication of the government's attitude?

Hon. Howard C. Green (Secretary of State for External Affairs): Personally, Mr. Speaker, I thank the hon. member for his good wishes in respect of my trip to Geneva, which I plan to start on Monday.

Yesterday the Leader of the Opposition asked a question about the interrelationship between working out an agreement on a nuclear test ban and general disarmament negotiations, and I dealt with the question at that time. There is nothing further that I can add today.

For a number of weeks a very intensive study has been conducted by the five western powers, including Canada, which participated in the 10 nation disarmament committee negotiations in 1960. The plan which was proposed by President Kennedy to the United Nations last September remains the basic western approach to the disarmament negotiations and many parts of that plan were proposed in the first place by Canada. Others, of course, were proposed by other members of the group of five. A genuine effort has been made by the five western nations to work out a disarmament proposal which will

go as far as possible to meet the suggestions of the five communist nations. I do not think any one of the western five is being inflexible. As negotiations proceed, changes may have to be made in the western proposals.

As the hon. member knows, Canada has taken the position that it would be a good thing to have countries added to the group of 10 for these new negotiations. That has been done, with India and Burma being added from Asia; Sweden from Europe; the United Arab Republic, Nigeria and Ethiopia from Africa; and Mexico and Brazil from Latin America. We think the fact that these eight other countries are participating may help to prevent the negotiations from being deadlocked. Of course no one can tell just what will be the actual result of the negotiations. However, we think it is helpful to have these other eight nations participating. They too have been doing a great deal in the way of preparatory work for the negotiations. We have been in touch with most of them and, as a matter of fact, have worked quite closely with some of them at the United Nations over a long period in connection with this question of disarmament.

The negotiations will probably take some time. As the house knows, they are opening at the foreign ministers level. However, I would expect that before very long the negotiators will get down to the actual business of trying to work out terms of a treaty. I would hope that would be the course followed rather than that of having a whole series of speeches. Later on when some progress has been made, or even if no progress is made, it is possible that the heads of state will meet in Geneva. That matter, of course, has not yet been settled. However, a report must be made to the United Nations disarmament commission before the first day of June. I think we can expect that there may be a meeting of the heads of state before the expiration of that time.

I am very hopeful that it will be possible to achieve results as, of course, not only is there the question of reducing arms but also of preventing the development of more deadly weapons, something which I think is even more serious than the problem of cutting down armaments which at present exist. It seems to me that this disarmament conference in Geneva is of vital importance not only to Canada but to the whole world.

POST OFFICE DEPARTMENT

POSTAGE ON MAIL ADDRESSED TO NATIONAL REVENUE DEPARTMENT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have a question for the Postmaster General, and I should like to get the information as quickly as possible. In view of the fact that one can address a letter to a government department in Ottawa and not pay postage simply by franking the envelope "O.H.M.S.", can the Postmaster General explain why local postmasters are advising people that they must pay postage on letters addressed to the Department of National Revenue in Ottawa?

Hon. W. M. Hamilton (Postmaster General): Obviously, Mr. Speaker, this is a vital, urgent and tremendously important question. The answer simply is that mail addressed to the headquarters of the department at Ottawa is franked. Branches of the department here in Ottawa which are operating as local offices are in exactly the same position in Ottawa as branches in any other part of Canada, and postage must be paid on mail addressed to them.

Mr. Herridge: I should like to ask a supplementary question. I did not quite get the full import of the minister's answer, and a number of people are curious about this matter. Does his answer mean that letters posted from British Columbia to a branch of the Department of National Revenue must have postage paid on them?

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, is it not a little stupid at this point to take up the time of all other members of the House of Commons with a question of detail which can be settled behind the curtains in two minutes?

HEALTH AND WELFARE

REQUEST FOR ACTION RESPECTING U.S. DRUG ADVERTISING

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether his department has any plans for this year to meet the problem brought out by Dr. Morrell, one of his officials, in a very recent article in which he said that uncontrolled American drug advertising coming into Canada has very bad effects?

Hon. J. W. Monteith (Minister of National Health and Welfare): The department is watching this situation, of course, at all times

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF BRANCH LINE BETWEEN MATANE AND STE. ANNE DES MONTS, QUE.

The house resumed, from Wednesday, March 7, consideration in committee of Bill No. C-67, to authorize the construction and operation on behalf of Her Majesty of a line

of railway in the province of Quebec between Matane and Ste. Anne des Monts—Mr. Balcer —Mr. Chown in the chair.

On clause 1—*Construction and operation of railway line.*

Mr. Fisher: Mr. Chairman, the other day I had almost exhausted the time allotted to me for remarks upon this bill. There are a number of further points I wish to make in connection with this rail line and why we in this group are very sceptical about the whole proposal. The first point I should like to make today is taken from the report of the royal commission on transportation, volume 2. The commission's views on the provision of new rail facilities are expressed on page 145, and it seems to me that they should be put on the record in relation to the project now before us. The report reads as follows:

> As has been indicated previously, Canada will continue to require new rail lines. The expected economic developments, particularly in mineral and forest products, will require the transportation of large tonnages at low cost. Rail transport will play a vital role in these developments. Such developments will be of great benefit to Canada and should at the same time improve the financial position of the railways.

If I may interpolate here, it seems to me that there is no guarantee or even prospect of a large tonnage of either mineral or forest products on the railway in question so far as the evidence produced by the minister is concerned. The commission goes on to say:

> Parliament should assure itself that any proposal for a new line is economically sound before approving it. The commission notes that this has in recent years been the policy that parliament has followed. We heartily approve this procedure. This is not to say that parliament should not under certain circumstances authorize construction of lines for developmental purposes when the immediate revenue cannot be expected to meet all costs. Under these circumstances, the government should be prepared to meet the deficit from public funds and not place the burden on other shippers. We have earlier recommended that the burden of existing uneconomic lines be removed from the shipper. Consequently, we cannot do otherwise than state that new lines should not become a burden. However, it is unlikely that the building of any substantial number of developmental lines will be required in the future.

I should like the minister to note this.

> In general it may well be that the provision of road or air transport as the initial transport in new areas is the best procedure to follow.

I interpolate here that the area in question already has an efficient system of road transport and, as the commission points out repeatedly, wherever you have trucking you tend to have efficient competition because it is the kind of field that an entrepreneur can get into fairly cheaply and reasonably. It seems to me that the point of the commission, that the provision of road or air transport as the initial transport is the best procedure to follow, has been made so far as this area is concerned, and we have no guarantee or indication of those high volume tonnage prospects in forest and mineral products that the commission suggests should be the main reason for putting in a branch line. The commission goes on to say:

> The commission has no need to make specific recommendations on building new rail facilities. Each such facility will require the approval of parliament and at that time parliament will have an opportunity to assure itself that the scheme is economically sound.

Have we had any assurance that this scheme is economically sound? I should like hon. members to look at the figure of $14 million as the estimated total cost and the maximum figure of $250,000 as the estimated operating reveune in the first year or years. The Canadian Pacific Railway is one of the few railways in Canada that makes some kind of a profit and pays a dividend, and anyone who owns Canadian Pacific shares knows that in recent years the railway has not earned over 4 per cent. Let us assume that Canadian National Railways can make a profit on this line with operating revenue of $250,000 a year. If it even matches Canadian Pacific's profit on operating revenue, what will the figure amount to? It will probably amount to $12,000 a year. That is the likely profit prospect based on an operating revenue of $250,000 a year. How then can they possibly come anywhere near meeting the capital investment cost of $14 million? I suggest that we simply have not had from the minister or his officials any indication of the economic feasibility of this line.

The hon. member for Joliette-L'Assomption-Montcalm, in a friendly way, said that we should call this line the Belzile-English line. I thought it was a pleasant remark. However, I wonder if these two gentlemen are worth respectively, in these terms, $7 million each. Here we have a situation where to develop an area the sum of $14 million is going to be expended, and we can hardly see any economic justification for that expenditure.

Now, I think any members of this house looking at the regions of the country that have fallen behind in economic growth, want to see national resources developed to help them. I think, for example, the sympathy for the maritimes in the rest of the country is enormous in this regard. I would assume that Gaspe has the same difficulties, if not compounded. In this sense we are very strongly for national aid going to this area to improve the economy. However, the particular means

that has been taken to accomplish this purpose, it seems to me will do very little and cost a great deal. The sum of $14 million is substantial enough that, applied in another way, it would mean a subsidy to every individual in that area, according to the population figures, of almost $200.

Mr. Morris: I wonder if I might ask the hon. gentleman a question. Is he aware that we in the maritimes, of whom he has just spoken, regard the provision of adequate rail service not as a matter of growth but as a matter of right?

Mr. Fisher: The hon. member has made this point, and I should like to give him an answer that the minister gave to a question in committee concerning rail facilities today. If the hon. member will read the report of the royal commission on transportation he will find that is no more a matter of right than the right to have television reception. The whole theme of this report is that we need to have a balanced transportation system in our economy, and the question is whether a railway line, in this particular case, meets that objective.

The Deputy Chairman: I am sorry to interrupt the hon. member, but his time has expired.

(Translation):

Mr. Bourget: Mr. Chairman, when we discussed the matter, Wednesday, I asked the minister if he could table the agreement passed between the federal government and the Canada and Gulf Terminal in 1903 or 1904; is the minister now in a position to table that document?

Mr. Balcer: Yes, Mr. Chairman, I have here two copies of the contract passed between the Matane and Gaspe Railways Company, whose name was later changed to Canada and Gulf Terminal, and I wish to table both documents.

Mr. Bourget: Are those documents both in French and English?

Mr. Balcer: No, in English only.

Mr. Bourget: Why is there no French copy of those agreements? It has been two days since I asked the minister to table that document and there is none yet in French. And we often hear them boast that everything goes fast with the Conservatives. It is the same situation with regard to the recent agreement passed between the Canadian National Railway company and the government, which has been written in English only. Why has the minister not seen to it that the agreement be published in both languages?

Mr. Balcer: Mr. Chairman, I have been in the House of Commons for 13 years and I think the record of this government, on that count, is quite an improvement over what was done in the past.

The documents I am now tabling are in English. Because of our desire to accommodate hon. members, all documents they may require are tabled and we readily do so. But in this case, we did not have any French copy. In any case, you may rest assured, Mr. Chairman, that we are now having the document translated and that it will probably be tabled in the house today—I could not say at what time exactly—but it will be very soon. It is an eight page document, in very small type, and I think the translation of such a document will require several hours' work by our translators.

I wish to assure the house that it is with pleasure that we are doing this, and besides, all documents from my department are treated in the same way.

Mr. English: Mr. Chairman, I did not intend to speak again on this bill. However, now that I have listened closely to the remarks made by the hon. member for Port Arthur (Mr. Fisher) I cannot do otherwise than give the house a few explanations.

I am always more and more amazed at the fact that we have here, in this house, what could be commonly called a "superman". Here is a man who knows everything and who can discuss forestry, agriculture or anything that concerns Canada.

I truly respect his great competence but I cannot help adding that there is nothing worse than a man who has two eyes and refuses to see or two ears and refuses to listen.

On several instances, I have, like many others, explained in this house the economic possibilities of the Gaspe peninsula. I do not think I have to accept any lecture from the hon. member for Port Arthur, who does not even know the size of my constituency, who has never visited the people I represent and who has never become acquainted with the correct situation in the Gaspe area.

As for me, I have been sitting in this house since 1957. I have heard discussions on problems concerning western Canada, with which I was not familiar; I listened carefully to the speakers and I showed interest in their problems but without taking part in the discussion. I would be very ill-advised to discuss problems I know nothing about. I am bright enough to realize it.

An hon. Member: He is an expert.

Mr. English: We have particular problems in the Gaspe peninsula. When he speaks about the trucking industry, it is obvious that the hon. member for Port Arthur does not know much about the situation in my area. With regard to the province of Quebec or my riding, he is prompted by a certain feeling of hatred for all projects of interest to the province of Quebec. That is all. It is merely a personal revenge and I feel bound to draw the house's attention to it.

(Text):

Mr. Martin (Timmins): Under the rules of the house has any hon. member the right to impute motives to another hon. member?

Mr. Pigeon: We have approved.

The Deputy Chairman: I should caution the parliamentary secretary at this stage. I was having some difficulty in hearing the interpretation because of his close proximity to the Chair, but I do wish to caution him and ask him to keep his contribution on a more impersonal basis, if he will.

(Translation):

Mr. English: Mr. Chairman, if I made unparliamentary remarks—

Mr. Johnson: Not at all.

Mr. English: —I shall take them back and say this: when the hon. member for Port Arthur went to Quebec city, he said that we had nothing in the province of Quebec except Maurice Richard and Lili St. Cyr. I ask the hon. member for Port Arthur whether those are not the actual words he said when he was in Quebec city. Let him raise a point of order if he believes I am wrong. Besides, I wonder which one of us is wrong if not the one who made such a statement in the province of Quebec.

Mr. Pigeon: Mr. Chairman, may I direct a question to the hon. member for Gaspe (Mr. English)?

Does he not believe that if the hon. member for Port Arthur met Lili St. Cyr, he would change his opinion about the province of Quebec?

Mr. Johnson: She was not from Quebec.

Mr. English: He would not change his mind but his outlook would be different.

Mr. Chairman, all hon. members feel very strongly about the construction of that line. I know that every one of us, including members of the opposition who have received the visits of numerous delegations and who have considered the problem, agree that the Gaspe peninsula will finally be developed.

I may not have the knowledge of the hon. member for Port Arthur, but I know full well, for instance, that there is a mine in operation in the Gaspe area, the Gaspe Copper Mines in Murdochville. I am sure that the owners of that mine will be glad to hear that a railroad will be built in the district. Indeed, a delegation from Murdochville came to see me in that connection and they asked me to support the project.

I am aware of the fact that at present those people have to transport the ore by truck over a distance of 65 miles to ship it by rail. Those additional costs paralyse the future development of the Gaspe peninsula, Mr. Chairman.

We also have in the district, the Federal Metals Company; its president, Mr. Pierre Beauchemin, is also president of the East Sullivan Gold Mine Company. That mine is as rich as that of the Gaspe Copper Mines and its president is willing to spend millions to operate it but he clearly stated, when he accompanied a delegation to Ottawa, that he will not spend a red cent on the mine as long as there is no railroad. I cannot blame him. It does not make sense to transport ore by truck from that part of Gaspe North, back of Ste. Anne des Monts, to Matane, then put it on board a privately operated train up to Mont Joli and from there on board a C.N.R. train to Montreal or the United States.

We cannot urge these people to spend millions of dollars in the Gaspe peninsula without first providing them with adequate means of communication.

Mr. Chairman, I should like to see trucking companies take the ore from the Gaspe mines and try to carry it to the United States or elsewhere over the roads in this area. I should like to see that. I have yet to see them do it. I know that trucks cannot undertake such a job, because they cannot carry enough of the ore taken from our mines.

The hon. member for Port Arthur said that he fails to see why we ought to spend millions on a railway line in that part of Gaspe. It is very easy to come here and talk about expenditures and of this and that. But I think that if the hon. member had any love for the province of Quebec and also for the Gaspe peninsula, he would have no objection, for I believe that, in its whole history, this

is the only substantial amount Gaspe has ever received. And yet, it was discovered in 1534. It seems to me that the hon. member for Port Arthur is in no position to come to us and criticize the government for spending the sum of $16 million on a railway.

Mr. Chairman, let me point out that this sum of $16 million in not as much as it seems, because, instead of paying unemployment insurance benefits as we do now, we will be giving work to our people, therefore that it will be a good investment for the government of Canada.

The hon. member for Port Arthur dealt only with pulpwood, quoting certain figures on the quantity of this product being shipped from that district. If I asked him where pulpwood is cut in the Gaspe area, he would be quite puzzled.

Let me tell you, Mr. Chairman, that statistics show that exactly 412,145 cords of pulpwood were cut in the Gaspe peninsula. Those statistics have been worked out and if the hon. member for Port Arthur wants more information, I am willing to spend a half hour with him to explain the situation, inasmuch as he can understand, of course.

Mr. Chairman, let us consider the weight of a cord of wood. A cord of dry wood, if I am not mistaken, weighs about 3,000 pounds. If he wants to know how many tons, he can figure it out for himself.

Of course, before one can discuss that matter, he must know the difference between pulpwood and lumber.

The hon. member for Port Arthur said nothing about the Gaspe lumber industry. However, it is one of the main industries of that region. The only company, the James Richardson Company, with Mr. James Russell as chairman has cut down and sawn 26 million fbm of lumber last year. That is only one company and it has 600 employees.

Mr. Chairman, reference was made to water hauling. Well, I am not saying that ships are not useful. But suppose, for instance, you operate a mill in the Gaspe peninsula and you cut 26 million feet of lumber, are you going to keep your employees on the payroll all year round, knowing that water hauling is in operation only five or six months and that you cannot ship by boat the rest of the year? In such a case, you will wait until the next year to ship your lumber. If the hon. member for Port Arthur had come in my district even two weeks ago, he would have seen the condition of the roads, especially after the rains we had, which made them very slippery and very hazardous for trucking over long hauls because sawn lumber is now being shipped to Montreal. When you think that it has to be carried by truck to Matane, and from there by a private railway to Mont Joli and then transferred to the C.N.R., you realize that it is costly and that the people in the area are unable to compete on the Montreal market.

At the present time, those engaged in cutting pulpwood in our district are earning less than lumbermen in other parts of the country. It is easy to understand. That wood has to be transported by truck to the railroad, which is for them more costly than it is for those whose logging operations are located in the vicinity of a railway line and who can have their wood shipped direct to Montreal, Quebec city or elsewhere.

In the committee on railways, canals and telegraph lines, the hon. member asked some questions as to the economic aspect of the project. And yet, if he had taken the trouble to read my speech, he would have found that I had put a letter on record dealing with that subject. It was not a letter written by myself but a letter from the East Sullivan Mines Limited to Mr. Roland Gagnon.

Incidentally, I wish to point out to the house that there are only four smelters in Canada and that the Gaspe Peninsula is fortunate in having one at Murdochville. Here is what the secretary treasurer of the East Sullivan Mines said about the smelter in the Gaspe peninsula which will surely know an extraordinary development:

> Further to our telephone conversation, I am glad to confirm the following information:
>
> Solbec Copper Mines Limited is a new subsidiary which is developing a copper and zinc mine in the Black lake area, in the eastern townships. The estimated copper production will be close to 20,000 tons of concentrate per year.
>
> We are aware that the smelter of Gaspe Copper would be a proper place to treat our ores, if that plant were not completely isolated due to the lack of communication facilities. We find it unfortunate for the Gaspe peninsula as well as for the eastern part of the province of Quebec that lack of communication facilities forces us, as it were, to have our concentrates treated outside the country, namely in Europe or in the United States.

Mr. Chairman, something has to be done to improve that situation. As a matter of fact, the president of the East Sullivan Mines Limited, says that he is ready to ship concentrates to Gaspe to have them treated. Furthermore, the Federal Metals Corporation is ready to start developing its mine as soon as the railroad is constructed.

Canadian National Railways

Mr. Chairman, I have looked into all the representations made in favour of the construction of that branch line, under the Liberal administration as well as under the present administration. I admit that the situation 20 or 25 years ago was not what it is today; we must recognize that it is only since 1952 that the development of the Gaspe Copper Mines has revealed the huge resources of the Gaspe peninsula.

Now, if you travel from Montreal to Gaspe South, you take the train for Nova Scotia or New Brunswick; when you reach Matapedia, the train for the maritimes, the Ocean Limited, continues on its way; you transfer at Matapedia and you go past Perce to reach the tip of Gaspe. Please note that this situation has existed for almost a hundred years, although the region of Gaspe South does not know the mining development of Gaspe North, because there is not any mine in Gaspe South. And yet, that railway line has always been operated to the benefit of the southern region of the Gaspe peninsula.

On the other hand, when we ask for the construction of a railway line from Gaspe to Matane, that is a distance of approximately 160 or 165 miles, and we are granted a line running for 57 miles only, in order to promote the industrial and mining development of the northern region of the Gaspe peninsula, there is an uproar. Why? Because the government wants to have a sum of $16 million voted, not only to give a railway to the Gaspe peninsula but to develop its mining resources.

I have already quoted the letter from Mr. Westmore, manager of the St. Lawrence Corporation Limited of Three Rivers, in which he said he was interested in negotiating with three saw mills in the Gaspe peninsula, because his company was experiencing difficulties in obtaining wood waste products and he thought the construction of that railway line would enable them to get them more easily.

And there, Mr. Chairman, it is not a question of only 25,000 tons, as suggested by the hon. member for Port Arthur, but a much larger quantity. As a matter of fact, when we say 35,000 tons, the hon. member says it is 20,000 tons, and when we say 25,000 tons, he says 10,000.

Mr. Chairman, there is no doubt that the production of wood waste could be doubled or even tripled.

Mr. Chairman, there is always talk in the nouse of considerable development, for

[Mr. English.]

example in the Yukon or other regions of Canada. On many occasions, in this chamber, it has been said that a railroad was essential to the development of a region, and that such a service should come before and not after the development. If the development of our country had to wait until railway lines were built, very few industries would come to invest millions of dollars to develop our plants.

Mr. Chairman, I could make further observations, but I think I have answered some of the objections raised by the hon. member for Port Arthur. On another occasion, I would like to give more explanations.

Besides, we are not the first to recognize the need for a railway line in that region, because in 1881—that is going back a long time—the newspaper *La Minerve* said:

> The Gaspe peninsula is a separate section of French Canada, as are the Magdalen islands or even old Acadia (which became part of Canada in 1867). It is little known in the province of Quebec itself. In the olden days, that area had its own government and had little to do with those of Quebec, Three Rivers and Montreal, which were a compact and homogeneous group. Nowadays, relations between them have become more frequent, without, however, taking on the intimate and entirely uniform nature which is characteristic of relations between other districts on the St. Lawrence.
>
> We still look upon Gaspe and its people as some sort of distant colony, as brothers who are separated from us, in the same way as the Acadians. The situation is, first of all, due to the remoteness of Gaspe which is hundreds of miles away from Quebec city—and to the lack of communications in some parts of the peninsula,
>
> The Gulf steamers and the Intercolonial have brought the Gaspe peninsula nearer to Canada and also to the rest of the continent. But the seaway is of little help and the railway is still far away from the real Gaspe district. People in the central areas, who went to settle those faraway places and dedicate themselves to their development—like Dr. Fortin and Dr. Robitaille—did even more to inform the people of Gaspe about us and to tell us about them.
>
> It would be in the best interests of the Gaspe people to end their isolation. They could only benefit from such a move, particularly if it resulted in giving them a taste for farming and, moreover, enabling them to take advantage of our fisheries—

Well, Mr. Chairman, that reminds me of what a good physician in my riding said, the other day, when I was spending a short time in my district. This is what he said: "There is a lot of talk about separatism in the province of Quebec. Now, we, in Gaspe, have been separated for three quarters of a century."

He certainly was right. I am sure that all hon. members will approve the bill and rejoice with me, five years hence, that they voted for it.

(Text):

Mr. Pitman: Mr. Chairman, I think if anything could confirm one's suspicions about this particular action of the government it has been the immoderate and I think unfortunate attack by the parliamentary secretary upon the hon. member for Port Arthur. Throughout this debate that particular member has carried on an extremely conservative—with a small "c"—assessment based on completely economic lines. I think to impute hatred, even lack of interest, on the part of any hon. member of this house, in this national parliament of the people, no matter from what group or whatever province in any other part of the country, is extremely improper and unfortunate.

The hon. member for Port Arthur has been trying to find out what are the economic possibilities. The parliamentary secretary said there were great economic possibilities. Where are they? I am sure that every member of this committee, perhaps over the lunch hour, will sit and read this evidence given before the standing committee on railways, canals, and telegraph lines. If, afterwards, he can come to the same conclusion as the previous speaker I shall be very much surprised. I invite hon. members to do just that, to read this evidence and secure any feeling of confidence that this line would either be of any great benefit to the area or constitute a paying proposition or an economic reality.

The previous speaker misses the point. It is not that this group has no sympathy with the people in this area. It is not that at all. We simply state that one cannot solve all the social, economic and political problems of an area simply by building a railway. You can only spend money once, and $16 million is a great deal of money. The same sum put into a Gaspe development fund, which might encourage people to come into that area, might very well prove of far greater use than this line which could be an economic embarrassment to the community 10 or 20 years from now. As I say, we are interested in the development of this area, but we believe there are more realistic, more economic ways of dealing with this question than by putting down two lines of steel.

Mr. English: Wait till the next election.

Mr. Pitman: The hon. member refers to the next election. That is precisely the point. You cannot deal with a national transportation system on a constituency basis in terms of 1962. We are not fighting an election campaign in Gaspe in this chamber.

Mr. Jones: The hon. member is imputing motives which are improper. I think it was adequately pointed out by the hon. member from Gaspe that the purpose of the railway is to benefit the area. The election has nothing to do with it.

Mr. Pitman: It was not the hon. member who brought up the subject of elections at all; it was the parliamentary secretary who, speaking from his seat, interjected this matter into the debate while the speech was going on. As I was saying, we are interested in the development of this area, but we believe this development can be accomplished in better ways than the one now suggested. We have just had the benefit of a report by a royal commission. So far that report has not been acted on by this government. I am not blaming the government; I am not suggesting there has been undue delay. I am simply stating that nothing has been done in connection with this report, and that this is a time for reassessment; it is not a time for building lines and for undermining the proposals in this report, which will have to be acted upon by the government when it comes to deal with the recommendations.

My hon. friend from Port Arthur has already drawn attention to this aspect of the question, so I shall not refer to this report at any length. However, I remind the committee that it is not only the hon. members of this house who have studied this report; its recommendations have left an impression across the whole country. I could draw the attention of the committee to an article by Walter Gray in the *Globe and Mail* of February 16 under the heading "Railways Looking for Cut-back Discover Friends in Commission". I should not take up time by reading from this article, but I would point out that these are the views which are held across this country. I wonder how hon. members in every part of this chamber are going to explain the building of this railway to their constituents on the basis of the economic prospects, or rather the lack of economic prospects revealed in the standing committee on railways, canals and telegraph lines, at a time when the various railway companies in Canada are cutting back their services.

I come from a constituency which is off the main lines of the major railways in Canada. We have experienced a certain amount of cutback of services. An attempt has been made to slow down this cutting back, and naturally so because various economic groups in the

community are concerned about it, but on the whole there has been an intelligent understanding of the realities of our national transportation problems today; it is realized in the community that certain services are no longer feasible or economic.

I realize that these circumstances do not represent a complete comparison with development lines such as we are discussing here. I am simply saying that people across this country are ready and willing to accept a reasonable assessment of national rail transportation. They realize that we are in a new age and that other means of transportation may have to take the place of railways. They realize there might have to be a redevelopment of our old concepts of railway economics in certain areas. The hon. member for Port Arthur has told us there are lines in his constituency which are rusting away right now because services have been cut off completely. How can hon. members in any part of this chamber go to their constituents and explain why we should spend $16 million on a railway when there is no real assurance that it will help the economy of the area? If there were any agreements with mining companies or pulp and paper companies I think there would a good case to argue, but I do not think such a basis can be found in the transcript of the evidence which has been placed before this committee.

I wonder how hon. members in the Liberal party can support this line. Last fall they showed an apparent concern—no, I will say it was a real concern—about the Pine Point railway. The feeling on the part of this party was that the Pine Point railway was economically unrealistic. I ask hon. members in the Liberal party to compare the economic possibilities of the Pine Point railway with those of this railway. I think they will find that the disadvantage will lie on the side of the railway we are discussing at the present time, and I wonder how they will react to this problem when it comes to putting their opinions on record.

I do not intend to take up the time of the committee any longer. I simply ask hon. members to take a slow, reasonable look at this proposed railway and to read the evidence on the subject. I am sure the answer will be obvious.

(Translation):

Mr. Johnson: Mr. Chairman, I have been sitting in this house for the past four years, and I wonder why the hon. members for Port Arthur (Mr. Fisher) and Peterborough (Mr. Pitman) are making such a fuss today.

[Mr. Pitman.]

I shall immediately take up the comparison made by the hon. member for Peterborough between the matter of the Pine Point railway and the bill on the Gaspe railway which is now before the house.

I do think the attitude taken by the members of the new party somewhat odd, and I would like to know whether, if the railway were built in some part of the province, or of the constituency of the member for Peterborough or Port Arthur, we would witness as much opposition and hear so many questions asked as to the ability of the railway to pay its own way by the people who are advocating the socialization of public services. How can these gentlemen reconcile their doctrine with the statements they made today? How can they reconcile the doctrine which they preach in public, through their leaders, not only their federal leader, but the leader of the party in the province of Quebec, Mr. Chartrand, among others, to the effect that public services must primarily serve the people without regard to the economy of those services, how can they reconcile this doctrine with the arguments which they have put forward against the bill in this house today? How can they, on the one hand, preach socialization for our provinces, and, on the other hand, get up in this house and say: "Look at what has been said before the committee on railways, canals and telegraph lines, and you will see that this railway will not be economically feasible."

One of these two alternatives must be right, Mr. Chairman: the railway will be economically feasible or it will not. If it is—and the member for Gaspe so contends—we have no reason to refuse to approve its construction. If, by chance it is not, it would be wrong to deny this area of the province of Quebec the development it hopes for.

Economists and people familiar with the subject have stated repeatedly that the province of Quebec has not received its fair share in the way of railways. There have been improvements recently, and here is one granted this year by the present government. Are we going to deny Gaspe its railway and access to the development it desires under the pretext that it will not be economically feasible, which is but an assumption? If my memory serves me right, the member for Gaspe noted before the committee on railways, canals and telegraph lines that the truckers associations of the area were not able to offer the required services and that a railway was necessary. The member for Gaspe brought evidence to

the effect that the producers and the manufacturers want this line because they do not have adequate services. This evidence was not denied before the committee.

If the member for Port Arthur has evidence to the effect that what the member for Gaspe stated before the committee on railways is not correct, let him bring it forward and we will then be able to discuss it. I wonder how these people who have voted in favour of the principle of the bill, on the motion for second reading, can now contradict themselves?

I ask them to be sincere and honest once and for all, to stop pretending in their conventions that they recognize the needs of the province of Quebec as much as those of other provinces, that they recognize national equality of the French Canadians of Quebec, while getting up in this house trying to convince the government to refuse an economic advantage to this important area of the province of Quebec. I am asking them to be honest once and for all, to take a definite stand. If they consider this railway as uneconomic, they should give up their theory that railways should first of all serve the public, the areas which need them, without regard to profits, without regard to surplus or deficit. They should take a definite stand and vote for or against this railroad building project. In this way we will be able to assess their sincerity and later on we will let the people judge for themselves.

The hon. member for Gaspe did not bring up the question of an election, but the hon. member for Peterborough did.

If the members of the new party are so courageous, if the members of the new deceased party are so courageous, let them go to the country and account for their actions in the next election.

But before that, let them vote for or against this measure on third reading. I invite the hon. members for Peterborough and Port Arthur to do so. Just vote against it and then we shall see if you are sincere.

Mr. Pigeon: Just one word, Mr. Chairman. Being aware of the work done by the present Minister of Transport, in co-operation with the hon. member for Gaspe (Mr. English) and the hon. member for Matapedia-Matane (Mr. Belzile), for the construction of that railroad which will bring considerable economic activity to that part of the province of Quebec, I urge the Minister of Transport to ask the C.N.R. authorities that this line be called the Balcer-Belzile-English line.

I should very much like the Minister of Transport to pass on to the proper authorities that suggestion which is the wish of all members in this house, in order to emphasize the work done by the present minister in co-operation with both hon. members concerned.

I should be very happy to hear what the minister has to say about that. I know that the decision is not his, since it is up to the C.N.R. authorities to decide, but just the same I should be very happy to hear his views.

Mr. Balcer: Mr. Chairman, I shall not tell my hon. friend from Joliette-L'Assomption-Montcalm that I am leaving right away for Montreal, to meet the railway authorities for the very purpose he just mentioned, but I thank him very much for having mentioned my name and I know that he did so out of friendship.

Just the same, I feel that this railway which is called by the whole population of the lower St. Lawrence "The Gaspe railway" will be a factor of prosperity and development for that area in years to come.

When this government decided to build a "development" railway in that area, it made a decision which the future will prove to be right, I am sure.

Besides, is it not my hon. friend from Port Arthur who mentioned the fact that the MacPherson royal commission, at page 145, volume 2 of its report, suggested that when a railway is not self-sustaining the first year of operation, instead of having the railway companies bear the operation deficit incurred or the capital depreciation, the government should face its responsibilities and undertake to pay those deficits through appropriate grants, but that it should never place the burden on the railways.

Well, that is precisely what we are doing; besides, it has been recommended, not only by the MacPherson royal commission, but also by the Turgeon royal commission. In 1951, the Turgeon report recommended exactly the same thing, namely not to let the C.N.R. suffer any deficit or losses as a result of non-economical operations in the first years.

Now, my hon. friend from Port Arthur referred to the information we supplied to the committee on railways, canals and telegraph lines, to the effect that the railway would not be self-sustaining the first years.

We acknowledged that fact. We admit that the volume of assured traffic is comparatively small at present. But we believe it is a fair minimum.

Those were the figures obtained through a study of the present situation of industry and trade in that area.

I actually went to the Gaspe peninsula where I met businessmen and industrialists. They all explained to me that the construction of this line with the resulting lower freight rates, will enable them to develop their industries or business and to increase their production.

As a matter of fact, that is the problem and that is why no one ever thought of setting up industries in the Gaspe peninsula.

Industries already established in the area were not interested in further development because shipment of their output to the market of central Canada would be too costly.

They had to pay part of their shipping costs to the C.N.R., part to the Canada and Gulf Terminal and further costs for trucking. They will now have more reasonable shipping costs and that is precisely what is needed in the Gaspe peninsula.

As far as possibilities are concerned, we merely have to take an unbiased look at the situation to realize that in view of the mineral output in that area until now, and of the large quantity of standing pulpwood and timber, reasonable shipping costs are a necessity.

Above all, I believe that the main reason why the government is willing to take over, for a few years to come, the deficits of this line, is that it is the human thing to do. The area has over 100,000 industrious people. All they want is a chance to prove that they have not lost those qualities for which they have long been noted.

A moment ago, my hon. friend from Peterborough (Mr. Pitman) was saying that it was awful to realize that there were places in Canada where a railway had been built to develop a certain mine, and once the mine had been closed, the railway remained inoperative and was rusting away.

It is precisely the great difference that exists between the proposed railway and the others which, fairly often, are built by the Canadian National Railways. In the case of a mine, as at Mattagami for instance, the railway winds its way through the bush, where there is not a single soul living. Well, I suggest it would be criminal on the part of the railway company or of the government to build such a railway if we had no guarantee it would be self-supporting. I think it is absolutely essential for the government and for railway companies to have a clear and definite guarantee that those railways will be self-supporting.

But the case of the Gaspe peninsula is quite different. We have there an area which has been developed for four hundred years. People have lived there for a few centuries. We find villages and a fully established community; all sorts of small industries are to be found there that did not have the opportunity of developing as they should have. Just the same, everything is there at present; there is a potential. Furthermore, there is an interesting potential in natural resources. Well, this is a challenge for us. Are we going to invest the taxpayers' money in a place like that?

In introducing this measure, I believe the government has made a courageous gesture, a gesture that the future will prove reasonable, a gesture which will substantially contribute to the development of one of the most picturesque and interesting areas in Canada.

Mr. Denis: Mr. Chairman, allow me to say just a few words to follow up the suggestion made by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), to name that line "The Balcer trunk line".

Perhaps I could make a few suggestions myself about that. We could perhaps call it the "Pigeon line", since some people will be "carried" on that line. As we know, the hon. member for Joliette-L'Assomption-Montcalm travels in various parts of the world, much like a carrier-pigeon, and for that reason I think it would be more appropriate to call that line the "Pigeon line" rather than the "Balcer trunk line".

But, on the whole, in order that people may recall the Conservative regime under which that line has been built, I wonder, Mr. Chairman, whether it should not be called "No one will suffer".

(Text):

Mr. Fisher: Mr. Chairman, the hon. member who is most concerned with this railway has made some points on which I think I should try to touch. First of all, he said that I had made no mention of the lumber potential. I think I indicated in my previous speech that at the present time this was the one real source of traffic, but my point was that there was an alternative route into the Montreal market for much of the year by water, and that this means of shipping is usually and normally considered much cheaper than shipping by rail.

There are a couple of other points in relation to the potential of this line that I think need to be looked at. As found on page 38 of the evidence taken before the committee, the minister was asked at the bottom of the page about the potential of the region, and with reference to the north shore area across the St. Lawrence he said:

> They are now in process of building a highway to Seven Islands. Most of the population that works on the north shore comes from the south shore. There is only one farm on the north shore; whereas the south shore is a farming community, and there was no connection between the two shores. This present government has instituted a ferry service between Rimouski and Baie Comeau. This service has been operating for a period of two months and is a tremendous success. Its success has been far beyond all expectations.

Then he went on to say:

> Last week we authorized the building of a new ship, new harbour facilities and a new service between St. Simeon and Riviere du Loup; we are building a new wharf at Matane, and we have approved the establishment of a new "roll on, roll off" service between Matane and Godbout. This new branch line will help to assist the ferry service between Ste. Anne des Monts and Seven Islands. Within a very few years I think you will have a completely different picture of the economic situation of the lower St. Lawrence.

It seems to me that these are very reasonable proposals. Anyone who has looked at the economic indicators knows that the north shore of the St. Lawrence has had a phenomenal development, and it is quite understandable that it has been a magnet in drawing people from the south shore. It is quite understandable that the farmers on the south shore, where this railway is going to be built, are looking forward to feeding the growing population on the north shore. It is also good to know that marine services and so on are being set up to enable this to be done.

But here again my point is that all of us know enough about rail services to realize that where you have a water haul, as in this case, rail service in terms of moving these farm goods to the ferry and then across to the north shore is just not feasible in economic terms. The railway cannot really fulfil a function in carrying perishables, such as most farm products are, for a distance of say 50 miles, to be transported thence across the St. Lawrence by ferry. I think the minister and his economic adviser will admit that this is an area where trucking is much more likely and almost certain to play the real role. So it seems to me that in the provision of farm products for the north shore region the railway in common sense really cannot fit into the picture.

In so far as the question of mineral production is concerned, the royal commission emphasizes that we must build railway lines to exploit large volume tonnage where there is any kind of considerable haul because this is far and away the cheapest means of transport. But the point I think the minister has to acknowledge is that every railway today is out to get some kind of iron-clad agreement or guarantee within the general situation of the mining industry. I pointed out that this is the situation at the present time at Steep Rock.

I suggest to the hon. member for Chambly-Rouville that I have complained before in the house about a branch line that was built in my area, a completely uneconomic one, that went into Manitouwadge a few years ago, which was just straight wastefulness. I can tell him that north of Nakina on the Canadian National Railways we have a large ore body on which over $10 million has been spent in development, and I would not vote for a measure to put a branch line in there unless there was some kind of contract with Anaconda, which is doing the development. Steep Rock Iron Mines has a very large iron ore prospect in the area north of Sioux Lookout near lake St. Joseph. I think it would be folly for this government or the Canadian National to put a branch line in there, no matter what the mining promoter might want, until the mining promoter was prepared to give some kind of guaranteed tonnage over some period of time.

On page 33 of the committee evidence the minister is reported as saying:

> —we have a letter from Mr. Beauchemin stating that the moment the railway is built he will go ahead with the development of the East Sullivan Mines deposit in that precise area. He has always shown a tremendous interest in a railway in that area, and he has always considered the construction of this line as one of the main conditions for the development or exploitation of those deposits.

Fine, but where is the contract? Where is the undertaking? All you have is a letter expressing a pious wish. We can only assume it is a pious wish if the Canadian National Railway demands contracts from mining promoters in other parts of the country and does not get one here. Why can you not get one here? This seems to me to be the question that should be answered. If these ore bodies are so good, and if the only thing impeding ore development is the question of rail facilities, let us get a contract and go ahead. Let us put the rail line right into the mine and not bother just going to Ste. Anne des Monts. It seems to me this is the reasonable thing to do. All over Canada we have

ore bodies proven up, but there are usually economic considerations that determine whether or not we should proceed with development. If these particular projects were at a stage of development where the tonnage was known and they had some idea of markets, then it would seem to me that they would be prepared to offer at least a tentative agrement. However, you have not got that.

There is another point I should like to make. I gather from a quick look at the geology of the area that most of the ore bodies that exist are not in the field of iron ore where you get the largest bulk shipments, but are in the field of base metals. It is very rarely that base metal ore is shipped for long distances because of the various weight factors. The ore is almost always treated and reduced to concentrate form on the property itself. This would not mean that there would not be a large tonnage of concentrates shipped, but nothing in the nature of the huge production that moves out of an iron range, something in the nature of millions of tons a year. I submit that this being the case, why justify a line like this on the basis of mineral development if you cannot get something concrete from the developer?

The hon. member for Gaspe made a point that this was nothing but, I think he said, a certain hatred in my heart toward the people of Quebec. I wanted to bring to the attention of the committee the fact that I have been talking to French Canadians in Quebec who are opposed to this line. I wanted to put their views on the record. I did not find I could not deal with them. I have here a copy of a letter sent to the hon. member for Gaspe signed by Romeo Blouin, secretary general, Quebec trucking association.

Some hon. Members: Oh, oh.

Mr. Fisher: All I can say, Mr. Chairman, is that this represents a point of view in that province that is very doubtful about the railway. I think it is worth while to put it on the record. This letter is dated March 3, 1962, and it is in French. I hope hon. members will forgive the pronunciation as I give it.

Mr. Balcer: Are you using Lili St. Cyr's language to read this?

Mr. Fisher: No; I think there is a misunderstanding about that whole incident. However, this is not the place to attempt to straighten it out. The letter reads as follows:

(Translation):

Dear Sir:

I am informed that during the debate on the second reading of the bill concerning the construction of a railway line between Matane and Ste. Anne des Monts in the Gaspe peninsula, you stated that three truckers are not opposed to the project which the Canadian National Railways Company intends to carry out.

I am sending you herewith copy of a motion which was adopted at our general meeting held at the Chateau Frontenac, in Quebec, on the 26th, 27th and 28th of February last.

It is true that three truckers of the Gaspe peninsula are not opposed to this project, but I should like to point out that the above mentioned motion was introduced by a large number of truckers from the lower St. Lawrence region and the Gaspe peninsula that group included truckers from Riviere du Loup, Trois Pistoles, Cap Chat, Riviere au Renard, Mont Joli, Rimouski and Matane.

I do hope, dear Mr. English, that after studying this motion, you will understand why we do not want the federal government to provide over fifteen million dollars for the construction of this railroad since existing transportation facilities in that district give full satisfaction.

Yours truly,

Romeo Blouin, secretary general
Quebec Trucking Association Inc.

(Text):

The Chairman: Perhaps this would be a good point at which to call it one o'clock.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Fisher: Before the luncheon adjournment I put on the record a letter sent by the Quebec trucking association to the hon. member for Gaspe. This letter was occasioned by a press report referring to the evidence that the hon. member for Gaspe gave before the committee, in relation to objections from the trucking organization.

The motion that is referred to by the secretary of the Quebec trucking association is motion No. 28, and I should like to read it as it has been forwarded to me by the association in translation form. It is entitled "Why a railroad in the Gaspesia region," and reads as follows:

In the speech from the throne, upon the opening of the parliament in Ottawa, the federal government has announced the construction of a railroad, out of the public funds, at the cost of $16 million, in the Gaspesia peninsula, from Matane to Ste. Anne des Monts, namely a distance of about 50 miles.

Whereas the MacPherson royal commission of inquiry on transportation has recommended the abandonment by the railways of non-profitable services;

Whereas three trucking companies, bus lines, local truckers and taxi companies have invested moneys and are already at the disposal of the public in that region of the province of Quebec, to transport goods or passengers;

Whereas these transport enterprises operate their services without public subsidies;

It is moved to ask the federal government to make a survey in that region to find out if the trucking firms, bus and taxi lines meet the public needs. If those services are satisfactory and that the survey recommends that to help the Gaspesia region, there should be a reduction of rates, subsidies be granted to the existing enterprises rather than investing $16 million in an enterprise which will never be profitable and would constantly be a burden upon the taxpayers.

Whatever other appeal that argument may have I think it certainly makes the point that there is a strong body of opinion in the province of Quebec which has no relationship to me, and I would say no particular interest in me, but which is objecting to this railroad. I would ask the hon. member for Gaspe to remember that, when he makes the charge that I am speaking only out of some kind of hatred in my heart.

I would underline again that I represent the fourth largest constituency in Canada. It has more miles of railroad track in it than any other constituency in Canada. At its broadest point there are 365 miles of transcontinental railway. Two transcontinental railways run through it and in addition there are a number of branch lines, although I can truly say that some of those branch lines are practically rusting at the present time.

Now it seems to me that this is enough reason to be critical of this line even if one has not the national picture at heart and if one is not interested in the recommendations of the royal commission on transportation.

I do appreciate the rebuttal argument, if one could call it that, made by the Minister of Transport. He seems to suggest that there is no possibility of getting industries interested in the Gaspesia area until there is rail transportation provided there. However I can tell him that there are many parts of the country which do have rail transportation and they do not seem to be able to get industries interested in them. There are places in southern Ontario—I am thinking of communities such as Barrie which has had a great development in industry of the most desirable kind, secondary industry, clustered around that town—where the railway services have been restricted and restrained. In other words the indication is that the incentives which bring secondary manufacturers into an area usually depend less upon transportation than upon access or relationship to markets.

The argument is made that industries cannot get to markets from the Gaspesia region because of the lack of a railroad but my point is that, on the grounds of distance from any place there to the large cities such as Quebec and Montreal, the difference between rail transportation and truck transportation is in many cases nil unless you have a large volume of tonnage that can be looked upon in some way as capital that is going to develop. This large volume of tonnage can only come from products of the forests and mines, and here we have nothing but very nebulous promises.

The hon. member for Chambly-Rouville brought up a good debating point. He made the suggestion that the particular party I am associated with has a certain argument that it is presenting to Quebec at the moment and he wondered whether my approach was not a contradiction of it in that, in a sense, it seemed to be an anti-socialist argument. I do not know what conception one has of what a socialist is in Canada but I would hope that whether one is a socialist, a capitalist, a Liberal, a Conservative or a Social Crediter, as a member of parliament no matter what one's background might be he would want to see enterprises approved by parliament that had a good future and that really dovetailed into some kind of an operational plan.

I return again to the evidence. The C.N.R. representative who appeared before our committee was not pressed deeply on any question but there is no indication in this evidence that the C.N.R. has even surveyed the situation for potential in the particular region. As a matter of fact there is no indication of what kind of rates may be struck. It was suggested that the ordinary rates would apply; that is, the railway has not even given this the consideration of what kind of incentives it can bring.

I had the impression—perhaps the minister can contradict this—that the C.N.R. officials who will be constructing this line and running it have not had any relationship with this great copper property at Murdochville or this potential East Sullivan property of Mr. Beauchemin. This I can only look upon as inadequate planning. I do not use the word "planning" in a nagging sense, but surely for an expenditure of this scale there should be some kind of projection by the agent who is going to have the responsibility.

It comes down to this. Can this railway line carry passengers effectively? The answer is no. There is hardly a railway line anywhere in North America today, except in the most concentrated populated areas, that is carrying passengers effectively to make any money. What else can it carry, then, other than freight? Is this the kind of region that is going to have a great deal of piggyback services or concentrated market services where there is a fairly large volume of high rated traffic going to be generated? Not at all. And it is already served by the St. Lawrence waterway, in my opinion the greatest waterway in the world.

I understand that the Gaspe region is well served by air transportation, or at least comparatively well served. The trucking association claims that there is a good trucking set up in there at the present time and that there is a competitive trucking set up there. I am not suggesting that we should accept their argument in toto, but we have no indication that the C.N.R. has looked into this aspect of it. We were told at the committee that the C.N.R. had no plans for using its trucking operations to dovetail into this extension of the branch line; in other words, they have not even gone that far to build up a conception of service around this line. It is for all these reasons that we have grave doubts about the line.

There is one other point that I think needs to be underlined, and that is the position of the provincial government in this whole matter. I admire this government for its efforts in the field of the roads to resources program, its attempt to work out in forestry and other fields a co-operative program that brings federal and provincial initiative together for development projects. I cannot find any indications in the record that the roads to resources program has been touched upon at all in this particular region; that there have been any demands or requests for it. I must admit that I have only looked at the records that have been provided me about the roads to resources program. Maybe there has been something, but I have not been able to find it. But we have from the minister himself an indication that he has not been in touch with the provincial authorities on this matter, and I would just like to note that on the record. I asked the minister this question:

> In Ontario much of the development in railway extension is taking place under provincial auspices. What approach did you make to the government of the province here in order to work out some kind of arrangement under which they would bear part of the cost?

I went on to ask another question:

> What approach did you make to the province to get assistance or support?
>
> Mr. Balcer: We did not make any.

I went on:

> Could you tell me why you did not? The reason I ask is that before the royal commission on transportation a Quebec minister gave evidence in which he indicated that the province of Quebec was ready to build a railway line if necessary to help development.

I did not mean for this particular area; I meant generally, of course. My question went on:

> Since that time Mr. Levesque has also indicated that the Quebec government would not hesitate, in order to develop the province, to build railway lines. With statements of that kind on the record and with a project which in the short run you say is uneconomic, why was the province not drawn in for assistance?

Here is the minister's answer:

> We feel that this project should have been built a long time ago, and that it is a federal responsibility. The federal government is convinced that the long term benefits from this railway will prove we acted wisely when we built the railway.

Here you have a situation where a provincial minister appearing before a royal commission on transportation sets out a bunch of potential branch lines for the province. As a matter of fact the minister who did it is a brother of the hon. member from Chambly-Rouville. I thought the presentation he made before the royal commission was an excellent one; it put the case for development railways in Quebec as I read it, and I certainly understood that the Quebec government was ready to give the lead and if necessary to take the lead in development railways.

Given that situation, plus the statements of Mr. Levesque, why were not the provincial governments approached? Here is the government that is in charge of mineral resources; here is the government that is in charge of forest resources—and the minister himself says these are basic to the development—and yet they did not bother to approach that government to see whether this was the line they wanted or whether it would dovetail in any way. Could the minister indicate that the provincial government is going to support this development with any concrete plans? I do not get that impression from the evidence, and I think the minister should tell us. Until he tells us I can only assume that no liaison has been established at all with the provincial government in connection with this matter. The minister seems to rest his case upon this, that it should have been built a long time ago and that it is a federal responsibility.

Surely in view of the royal commission we are not building railways today to make up for something that was not done some years ago; surely we are building them because they are going to serve an economic need. Given this kind of a situation, I wonder how the government can proceed with this kind of an expenditure that I know on the face of it is attractive, but without any liaison or project in unison with the provincial government.

This government has, I think—I was going to say made great play, but that might suggest something nasty—certainly given the impression that it is anxious at all times to work co-operatively with the provinces, and this is an attempt to develop a region of a

province through its natural resources. Yet, Mr. Chairman, the minister has not bothered to talk to the province concerned about it at all. I can only express surprise and certain regret about that.

There is one other point. The hon. member for Gaspe pointed out that this would create work in the Gaspe region. Of course it will: building a line does. But I should like to refer him to the words that were given to us by the Minister of Public Works on this very question as to whether public projects could be any substantial answer to the unemployment situation. I think the minister will remember these words. I have not them here, but I think I can remember the gist of them fairly well. He said that the unemployment problem could not be met in the long run by building public projects. It seems to me that is a point of view of the government that would gainsay the argument that this is or could be primarily a project to meet the unemployment situation.

Surely, there are more effective ways of spending money in that area. At the present time the area seems to be served by highways and by water for approximately eight months of the year. It seems to have some air facilities. It has neither rail nor pipe line facilities. I would reiterate that today this is not considered to be a major lack in most parts of the North American continent unless the transportation demand or need is for large volume traffic usually related to products of the forest or of the mine. In this particular case I submit we really have not had the evidence that this is the potential.

When I am moving around the country I often hear from people about the cadre of experts and economic wizards which the federal government seems to be building up here in Ottawa. People say the civil service is expanding at a fantastic rate—that the government is plucking bright people from the universities and sticking them in, with the result that we are getting a top heavy bureaucracy that is likely to plan far too much of our lives and activities. All I do in this regard is to refer these people to the branch line proposed between Matane and Ste. Anne des Monts, because this seems to me a case where these economic experts have made practically no contribution at all and where the investigations which have been conducted turn out, at the most, to be tentative and sketchy.

(Translation):

Mr. Morissette: Mr. Chairman, it is only proper that as the member for Rimouski, I should thank the government, and more particularly the Minister of Transport (Mr. Balcer), for having met the wishes so often expressed by my fellow citizens of the lower St. Lawrence and by public organizations of that area and the Gaspe peninsula.

Actually, the construction of a new railroad in that part of the province marks the end of a long wait on the part of the taxpayers involved.

As everyone knows, since Mont Joli is to become one of this railroad's terminals, I have very special reasons for being pleased with the decision taken by the government and the Minister of Transport.

Indeed, Mr. Chairman, we had lost all hope of ever seeing the construction of that famous railroad which has been mentioned for half a century and has afforded to Liberal politicians for 25 years the opportunity of deliberately making false representations and repeated promises.

I remember the promises those politicians used to make in my constituency, the riding of Rimouski, when as a young student I was getting interested in the material problems of the district.

The least we can say is that it is not too early for the construction of the railroad. That project is part of the general policy followed by the Conservative party in the field of transportation and will provide eastern Quebec with adequate means of communication.

Realizing that transportation facilities are the basis and, in a way, the lifeblood of our district's economy, the Minister of Transport has kindly taken the necessary action in that respect and has introduced the bill under consideration to put an end to the procrastination favoured by the Liberals.

Moreover, this is but one item in the general program which is being carried out in my area. I should like to mention another concrete measure from which taxpayers in my constituency are already benefiting. Father Point and Baie Comeau are now connected by means of a year-round ferry service.

With your permission, Mr. Chairman, I should like to refer to an interruption recently made by the hon. member for Laurier (Mr. Chevrier), during the debate on the resolution. The hon. gentleman, in a desperate attempt to save his party's chances, undertook to repeat the suggestions contained in a report prepared by the distinguished professor, Mr. Camu, on "Transportation problems in the lower St. Lawrence region". One of Mr. Camu's suggestions was the establishment of three ferry services, including one between

Father Point and Baie Comeau. Now, this last service, which interests me most since it is in the constituency of Rimouski, which I represent, has recently been inaugurated, and the company which operates it has just been granted a substantial subsidy by the government. I therefore propose to the house the following dilemma: either the hon. member for Laurier knew nothing of the initiative of the people of my region who set up that service with government assistance—and then it is wrong for him to act important and pretend he is interested in the problems of my constituency—or he was aware of the facts and he tried, once more, to minimize them or to lead people to believe that such facts, although they are official, did not exist and in that case, such an approach was prompted, once again, by shabby partisan motives.

To come back to my subject, I should like to point out that before setting up that ferry service I mentioned a while ago, tremendous engineering works had to be carried out at Father Point, to an estimated amount of $4 million; likewise, millions of dollars will soon be allocated to similar undertakings at Baie Comeau.

So, to use a word much in favour today, I would say that thanks to the mover of this bill, the transportation bottleneck in the lower St. Lawrence area is a thing of the past. This leads me to the following conclusion: if Mr. Pierre Camu has found some satisfaction in having his remarks taken out of context and quoted or misquoted by the member for Laurier, he must have been much happier to find that the government was implementing his recommendations. And personally I would add that this is further evidence that the Conservative government has put an end to the era of Liberal promises and that it is resolutely engaged on the road towards achievements. I doubt very much that the cackle of the Liberal parrots will hoodwink the people who have been misled for too long by the party of the member for Laurier.

Mr. Pigeon: The wandering Canadian.

Mr. Morissette: Mr. Chairman, getting back to the railway between Matane and Ste. Anne des Monts—

An hon. Member: To serious things.

Mr. Morissette: —I would like to be allowed to pay homage to all those who, for many years fought with courage, determination and perseverance to secure the construction of that railway line. I am thinking in particular of the public corporations of the lower St. Lawrence and the Gaspe peninsula, the chambers of commerce, the municipal councils of these points and the council for economic planning of the lower St. Lawrence. I am thinking in particular of my colleagues, the members for Gaspe, Matapedia-Matane and Bonaventure (Messrs. English, Belzile and Grenier).

I do not wish to repeat in this discussion the appropriate remarks made by my colleagues about the obvious benefits that will result from the extension of the railway line between Matane and Ste. Anne des Monts. I prefer to bring up another problem that immediately comes to mind when transportation in the lower St. Lawrence and the Gaspe peninsula is mentioned. That problem results from the competition between the various means of transportation, particularly between the trucking companies and the railways.

The businessmen of my area have established sound trucking enterprises. They have invested considerable amounts of money in those enterprises. Thanks to the initiative and competence of our businessmen, those enterprises are playing a vital role in the local economy. They have created hundreds of jobs for our workers, and they are rendering immense services to the population, industrialists, businessmen and contractors. I think the time has come when managers of those trucking enterprises, on the one hand, and the Canadian National Railways authorities, on the other, should consider the possibility of extending to the eastern part of Quebec the piggyback service, which has given excellent results in other areas of the province and the country. No doubt we have there a possible solution to the problem created by the competition between trucks and railways. The trucking contractors of my constituency, and it is the case of Beaudet Express of Mont Joli, have undertaken negotiations to that effect with the C.N.R., and for reasons unknown to me, so far the C.N.R. has shown very little enthusiasm.

I do not pretend that the piggyback service would solve all the problems. I simply feel that we should give it a sincere trial. To the extent that the C.N.R. would agree to apply suitable rates, it seems evident to me that a piggyback service would help to reduce the operating costs and the costs of trucking companies. At last, the National Railways and trucking companies would have common interests. The lower St. Lawrence contractors could more cheaply haul several products that could not be shipped previously because it was impossible to compete with other producers of nearby or remote areas.

Just as the construction of a railway is going to give a new impetus to the economy of the Gaspe area and of the lower St. Lawrence valley, I believe it would be proper to suggest to whoever may be interested that the whole problem of relations between the railway and the trucking industry should be reviewed in the light of the new requirements and of the regional needs.

Mr. Chairman, those are the few remarks that I intended to make on this bill. But before taking my seat, I wish to avail myself of the opportunity of thanking the hon. member for Port Arthur (Mr. Fisher) for the unexpected help he is giving me and my colleagues from the lower St. Lawrence valley, by denouncing, in such strong terms and in such a narrow-minded way, this railway construction project between Matane and St. Anne des Monts.

I repeat that I want to thank him for the help he is giving us. There is obviously in my area what they call "units", to use a popular terminology within the new party.

Thus, there is one in my home-town of Mont Joli—where I still live—and I just have before me a statement from the chairman of the local new party association in that town, Mr. J. T. D. Rioux, who is also chairman of the C.B.R.T. and G.W. in which he says that the railway project between Matane and Ste. Anne des Monts will be the prelude to great prosperity for the people of Gaspe who, for half a century, have been waiting for adequate service.

Mr. Chairman, it might be that some followers of the new party, in the Lower St. Lawrence, are brighter than some members of the new party in this house, and that they are even so bright that my colleagues and myself have every reason to trust that they will give us their support in the next general election.

Mr. Belzile: Mr. Chairman, I have only a few remarks to make. Indeed, at the resolution stage, I had an adequate opportunity of elaborating on matters of interest for my district which would justify the building of a railway line from Matane to Ste. Anne des Monts.

It is well known that this railway will start at Matane, the county seat in my riding, and end at the wonderful village of Ste. Anne des Monts, 57 miles away. That is to say that half the railroad will be in the Matapedia-Matane riding.

As I said, having discussed this matter at length in the past, I would like today to make a few remarks on the political aspect of the project and on the humanitarian feelings on which it is based. I am pleased that this debate, besides promoting the project, is also informative as to the reasons for which the situation remained unchanged for so long in the past.

The contribution to this debate by the hon. members for Port Arthur (Mr. Fisher) and Peterborough (Mr. Pitman) gave me, and probably all other hon. members and the whole of Canada, the solution to the problem I was facing. I shall explain this.

I am from Gaspe, and I was born in the Matapedia valley in that peninsula. Since I attained maturity, I frequently heard serious-minded men, representing social and economic associations, and public men say that Gaspe did not receive all the consideration which it had a right to expect from the various governments.

Since I represent the constituency of Matapedia-Matane, I have an opportunity of making an on the spot study of the basic problems in that part of Gaspe—which had been so badly neglected by public men in the past—and I frequently ponder the matter.

I fail to understand why the governments did not also consider those problems, and did not consider an area which had been the first spot where white men landed in 1534. I could not understand why this part of our country, the Gaspe peninsula, was not getting what it needed for its economical development: adequate means of transportation. Now, Mr. Chairman, I understand.

Before 1958, there must certainly have been in this house other members like the member for Port Arthur and the member for Peterborough who took strong exception to the fact that the leaders of the Canadian government should give Gaspe its rightful share.

Mr. Tremblay: That is what Mr. Chevrier did in our area.

Mr. Lessard: Put politics aside.

Mr. Tremblay: Tell us all about Mr. Chevrier. Let him come in our area and say that.

Mr. Lessard: A visit there would be enough.

Mr. Tremblay: Once will surely be enough.

Mr. Belzile: I was saying, Mr. Chairman, that I am from Gaspe.

An hon. Member: We know it.

Mr. Belzile: What is Gaspe?

An hon. Member: You are not well brought up.

Canadian National Railways

Mr. Belzile: Mr. Chairman, the Gaspe peninsula is a little province by itself. It has an immense territory. The Perron boulevard, which surrounds it, extends for almost 600 miles. As I said a moment ago, Mr. Chairman, it is the land discovered by white men. Gaspe has tremendous natural resources. Its forests potential is immense. The Gaspe woodlands are vital. Probably on account of our climate, reforestation is very rapid. The area also offers good prospects for agriculture. I am aware of the fact that we have to contend with a short summer. However, in many places, the soil is rich.

Abundant fisheries are another resource in our area. The subsoil also contains numerous resources. If, economically speaking, Gaspe has not developed as fast as the other parts of the country, the reasons for this delay are exactly those I mentioned a few minutes ago: our representatives have not grasped the entire scope of the problem. We have understood it, and so has the present government.

The Minister of Transport (Mr. Balcer) understood it.

A few minutes ago, Mr. Chairman, I heard the hon. member for Port Arthur talk about nebulous promises. There have been nebulous promises. I have never heard a man in public life talk with such strength and sincerity as the Minister of Transport. We understand that income is derived from land transportation and the railway line will be a tremendous asset.

We know how to deal with economic problems. We wanted, in all fairness, to supply the people of that part of our country with adequate transportation facilities.

The hon. member for Port Arthur also said that he had asked this question in the railways, canals and telegraph lines committee:

Will it be used to carry passengers?

And the answer was "No, I do not think so". I was there also and I do not think that the answer was a flat "no".

I think I remember having heard the Minister of Transport say:

It will carry passengers, but this is not the number one item on which we depend.

The hon. member for Port Arthur, in his argument, goes on to refer to the representations of the trucking associations of the province of Quebec and says that he is not the only one to oppose the project, but that there are also people in the province of Quebec such as the trucking associations.

[Mr. Belzile.]

I do not deny it, but here again are differences of opinion. Mr. Chairman, truckers and trucking associations are not unanimous in opposing the construction of the Matane-Ste. Anne des Monts railway.

I have here a copy of the letter which the hon. member for Port Arthur read. Incidentally, I wish to congratulate him on how he gets along in French. I urge him to keep on practising during the time left to him. But I wish him good luck for the next election; then he may continue to practise French in the House of Commons.

So I was saying, Mr. Chairman, that in the letter which the hon. member read this morning, it is said that three truckers did not oppose the project which the C.N.R. had in mind.

I have a copy of the letter addressed to the hon. member for Gaspe North (Mr. English) by the Quebec truckers association inc., over the signature of Mr. Romeo Blouin.

Well, Mr. Chairman, I have here a message from another trucking association, this one in the constituency of Gaspe:

Cap Chat, February 17

At a meeting of the independent truckers of Gaspe, held yesterday, the 16th day of February, in Cap Chat, it was moved by Damase Vallee and adopted unanimously that congratulations be sent to the member for Gaspe and conveyed also to the right hon. the Prime Minister and to the Minister of Transport, for the decision taken by the government to provide Gaspe north with a railway line it has been clamouring for during the past fifty years. At this same meeting, it was decided to protest strongly against the objections which may be raised by the Quebec truckers association concerning this project which is essential to the development of our region.

Robert G. Gagnon
Garage Robert G. Gagnon Ltee.

I have the copy of another telegram, sent this time to Hon. Leon Balcer, Minister of Transport, House of Commons, Ottawa, Ontario.

Cap Chat, Quebec, February 17, 1962

Hope pressures three small transportation firms shamelessly exploiting us will not change your decision re Matane-Ste. Anne railroad.

Signed: James G. Russel.
From: James Richardson Co. Ltd.

Mr. Chairman, I have still another one sent to Hon. Leon Balcer.

Cap Chat, P.Q., 17 February, 1962

Hon. Leon Balcer,
Minister of Transport,
House of Commons,
Ottawa, Ont.

We approve of telegram sent by J. G. Russel re railway.

Louis Landry, Sec. Treas.
James Richardson Co. Ltd.
and its 600 employees.

Mr. Chairman, I feel I have given sufficient evidence that, within the transport industry, trucking associations do not offer a united front, that they are not of a single mind. On the other hand, I recognize that it is their privilege to feel that building a railway between Matane and Ste. Anne des Monts will somewhat encroach upon their rights and deprive them of part of their income. I realize that it is their privilege to make representations.

But we, members of the House of Commons, have not been elected to protect the private interests of an individual, association or company, but to safeguard the general interests of our constituents. We are here to look after the interests of the population of our constituencies, our provinces and our country. I feel that it is my duty to speak this way and I wish to thank you, Mr. Chairman.

(Text):

Mr. Fisher: Mr. Chairman, there was a point raised by the hon. member on which I want to touch. I should like to tell him that my own particular imagination in relation to this rail line would have been much more attracted and I would have conceived it as much more imaginative if the rail line was going to go all the way through say to Murdochville or all the way round the Gaspe coast. I should like to point out to him that it is only an extension of a line that exists at the present time. There is no indication from the minister that it is to be anything more than that.

The other point he made, and it was made by other members, is that Gaspe has been asking for this line for 50 years. Well, 50 years ago was the railway age; that was when railways were important for transporting goods. But the experience in recent years has been different, otherwise we would not have truckers appearing all over the place giving evidence; we would not have presidential commissions or the royal commission on transportation going into this whole matter. All these things mean there are great problems in connection with the over-expansion of railways.

I want to put on the record a point Mr. Donald Gordon of Canadian National Railways made a few years ago in relation to the expansion of rail lines, branch lines, so far as the Canadian National Railway is concerned. I am quoting from page 227 of the evidence of the 1955 committee on railways and shipping. At the time, Mr. Gordon was being queried by the present member for Notre Dame de Grace and the present member for Greenwood. The present member for Greenwood said:

> What do the words "traffic guarantee" mean?

The question was asked in relation to the development of branch lines by Canadian National. Mr. Gordon's reply was as follows:

> It is a formula which we have devised which may apply in different ways. For example, to give you one example take the building of our line from Terrace to Kitimat, B.C. There we are servicing one industry. At the time that industry was proposed we said to the Aluminum Company: "We will build a line if you can satisfy us that traffic will be forthcoming" and they said: "Of course it will be forthcoming". We said: "Well, how do we know your plans are going to work out? We are not prepared to build the line and find nothing there. If you will undertake with us to provide a specified amount of traffic and undertake to reimburse us if you don't provide it, we will build the line."
>
> Now, if the traffic materializes it costs them nothing.

He is referring there to the Kitimat organization.

> If the traffic does not materialize then they put us in the position as if the traffic had materialized. That is a simple form of traffic guarantee, but when we get into a line of this kind it becomes more complicated.

He is referring here to the line between Chibougamau, St. Felicien and Beattyville. Mr. Gordon goes on:

> I am not too sure we can work it out, because a great number of shippers may be involved, but if we can get enough traffic guaranteed from individual shippers of a kind which we can depend on, assuring us of traffic, then we would be willing to build the line.
>
> Now, that does apply to the Beattyville-Chibougamau branch that we are building now. We have received traffic guarantees from the interested shippers which will justify us in building the line. Incidentally of course, like all these things, there are many facets to the agreement, and we credit the line with the freight that may materialize whether it is from those shippers or not.

Now that, it seems to me, is a very clear and succinct outline of how Canadian National Railways approaches the building of branch lines. It is quite apparent that Canadian National would not touch this particular branch line as part of its normal program. They have to go ahead because the minister has accepted responsibility and the government is putting up the money. The government is going to look after the deficits or profit whatever the case may be. The Canadian National is merely the agent, and as the agent of the government the Canadian National has to do what it is told. There is no quarrel about this at all. We did not get any indication, Mr. Chairman, from the Canadian National witnesses who appeared before the committee that the Canadian National had even looked into the construction of this

line very deeply. Now, what kind of railway building scheme is it when the government agency has not looked into it?

In 1955 Mr. Gordon told, and he has repeated it almost every year in one form or another before every committee, how careful the Canadian National is not to get itself into some kind of scheme that is not going to have some future in it. Hon. members of this house know that I am not a great admirer of the president of Canadian National Railways. This may be an understatement. Certainly, however, I have the impression he will build a branch line when he thinks there are any prospects at all for business. He will send his men in, they will work out surveys and make agreements. They will ask shippers. They will do all these things and yet, in so far as this line is concerned, I should like to point out again Canadian National does not seem to have done these things. Surely, we have no better underlinement of the economic weaknesses of this line.

In order to conclude my remarks at this stage of the bill, I should like to reiterate that I feel it is a very bad day for the parliament of Canada when a member gets up to express views about something that fits into the national transportation picture—at least the minister indicated it fitted into the national transportation picture—and he is told by other members of the house, in effect, he should really mind his own business; that this is outside of his province. He should sit and, I suppose, listen to the people who come from that particular area. This is a point of view that I cannot do any more than regret.

But I should like to make it very clear that if anyone wants to criticize railway developments in northwestern Ontario or in Port Arthur—I have a hunch we will be getting a branch line or two in the next few years—I would say they would be more than welcome. I do not see how you can look at the railway transportation picture in this country without being worried about the scale of development. Only in the last few weeks, I have been involved in negotiations relating to union contracts. I have just finished reading the presidential report in the United States, which is going to have ramifications in the Canadian situation. We are going to get the Canadian National annual report very shortly, and it is going to show another substantial deficit. We are going to have deficits on both private and public air lines, in the transcontinental sense.

There is nothing in our transportation picture where railways are concerned, that leads us to be optimistic about their capacity to meet the immediate challenge unless we open up and change our whole attitude towards transportation. Although I may disagree, and I have known all kinds of other people much more expert than I am who disagree, with some of the recommendations in the report of the royal commission on transportation, I fail to see how the government can go ahead with this particular project with so little research and so little planning. It seems to me to reveal quite a lot of the recommendations in this volume upon which I think the government will be acting very early.

Mr. Martin (Timmins): I am quite surprised, Mr. Chairman, that we have not had any comment from the minister in regard to many of these points that have been raised by the hon. member for Port Arthur.

An hon. Member: You were not here.

Mr. Martin (Timmins): Whether or not hon. members were looking, I was here all morning during this debate. Whenever any real study or real pertinent questions are being asked by members of the opposition, I know that it is so much easier for members on the government side, instead of doing any thinking or research, to reach for the paint brush and just start smearing, distorting and things of that nature. The hon. member for Beauce—no, I mean the hon. member for Gaspe—

Mr. Johnson: Does the hon. member not know where the region is?

Mr. Martin (Timmins): If the hon. member will contain himself for just a few minutes, he will understand. I have a little bit of knowledge of what I am talking about. I know that one of the favourite sports these days in the province of Quebec is to comment on how much the hon. member for Port Arthur is supposed to be against the province of Quebec.

Mr. Balcer: We do not think he is that important.

Mr. Martin (Timmins): I do not think hon. members opposite, with the imagination they display on occasions, can even begin to try and make the same charge stick about myself. I was born and raised in the province of Quebec. In fact I even had the honour of serving with a French Canadian regiment which came from Riviere du Loup—

Mr. Jones: On a point of order, surely the remarks of the hon. member might be directed towards this bill rather than to where he was born.

Mr. Martin (Timmins): What was the point of the hon. member?

Mr. Carter: He never has a point.

Some hon. Members: Irrelevancy.

(Translation):

Mr. Morissette: Does the hon. member claim that he was born in the riding of Rimouski?

(Text):

Mr. Martin (Timmins): However, Mr. Chairman, I thought that the case put forward by the hon. member for Port Arthur displayed the fact that he had done a tremendous amount of work on this subject. I thought he marshalled his facts and his thoughts very well. On two or three occasions throughout his remarks he insisted that we are not ignorant of the fact that this part of Quebec has been neglected for many years and that it has been bypassed in the development of this country. We also feel that it should be looked after and his only criticism, his only argument, was to examine this bill to see whether it was in fact what should be done to make up for this neglect over many years.

To hear some of the remarks of the hon. gentleman from Gaspe you would think the New Democratic party was responsible for this neglect. I think we should remind the hon. gentleman that the New Democratic party has not been the government for the past 95 years in this country. Any blame for the neglect cannot be laid at our door. It has to be laid at somebody else's door.

In this regard I was very interested to read in *Le Devoir* of January 20, 1962, a report of the remarks of the hon. member for Labelle, where he said:

(Translation):

Speaking of the construction in the Gaspe peninsula of the railway line announced in the speech from the throne, he said that up until now that region has been left to itself and "isolated from the rest of the province of Quebec and even from the country."

(Text):

On the same day on another page we find a quotation from the provincial legislature of the province of Quebec, by Mr. Gerard Levesque:

(Translation):

The leader of the opposition—

(Text):

—who, incidentally, happens, to be a brother of one of the honourable members who took part in this debate, here,—

(Translation):

The leader of the opposition, he said, who was the minister of water resources under the Union Nationale administration, had answered the pleas from the people requesting electrical power: "$15 million, that is too much money."

(Text):

If electrification of this whole area at a price of $15 million is too expensive, then what objective would there be in spending approximately the same amount of money for a railroad? Surely electrification is something which is going to affect each and every solitary citizen of that particular area every day in almost every way, whereas the railroad at best would only affect a certain percentage of the citizens. That is why we find it very difficult to understand why hon. members from the particular ridings involved can get quite excited if there is any question or doubt thrown on a plan like this.

Now we all like to fight very hard for matters that deeply affect our own particular ridings, sometimes even if they are not in the best interests of the country as a whole or really in the long term interests of the ridings themselves. After all an hon. member likes to have a sense of accomplishment in knowing he has succeeded in getting something which his riding has wanted for 50 or 100 years. However we sometimes fail to realize that what was vitally necessary 50 or 100 years ago may not now be as useful as it once could have been, and that the same amount of money devoted to some other project could accomplish far more and give far more lasting benefit to the people of the area.

I found it very strange to listen to the remarks of the hon. member for Gaspe. He construed the criticisms, doubts and points brought up by the hon. member for Port Arthur as expressions of the hatred in the heart of the hon. member for the people in the province of Quebec. I certainly would not accuse the hon. member for Gaspe of having hatred in his heart, regardless of how much evidence I might have to that effect, but I find it rather strange to see him displaying such tremendous interest in this area now, contrary to what he might have displayed when he was deputy minister of fisheries in the Union Nationale government from 1944 to 1953. If some of the zeal and energy he displayed today had been expended on that region during his term of office, then I think his riding would have benefited very much, and so would the whole province of Quebec.

It is alright for the hon. members who are immediately involved in this particular area to get up and sound off, but this is not a private member's bill. This is a bill brought forward by the government and I think the hon. minister owes it to the house to examine some of these arguments put forward by the hon. member for Port Arthur, give us some explanation as to what was done, and in fact give some explanation why some of these things were not done.

For example, why was the provincial government not consulted? At least we have no evidence whatsoever to that effect, and the

province of Quebec is well known to resent deeply any actions of the federal government when no consultations are held with the province. Certainly they are very justified in doing so. I do not see that any federal government can feel it is that much of a big brother or great paternal father that it can make decisions which are going to affect the provinces without having consultations with the provinces. This certainly merits some explanation and I think the minister should give the house some explanation of it.

According to the evidence presented by the hon. member for Port Arthur I would like to ask why the recommendations of the royal commission on transportation are being so completely ignored in this regard. What is the use in this parliament setting up the royal commission at considerable expense, a commission that sat for many months and brought out very lengthy recommendations, that has underlined them and reunderlined them, and then before the print is completely dry on the recommendations the government takes a move that completely ignores those recommendations?

These are matters that the minister should explain to the committee. I believe he should give an explanation, if he knows, as to why the C.N.R. itself apparently will not touch this with a ten-foot pole. There must be some reasons for this, and I think the minister owes it to the committee to give us those reasons, at least to the extent that he knows them.

I hope that before this matter goes any further we will hear some explanation, not from one of the hon. members who may be very emotionally involved in this matter, but from the government, because after all this is a government bill and I think we should have the explanation from a representative of that government.

Mr. Balcer: Mr. Chairman, I just want to answer briefly a few of the questions that have been asked. I want to say right now that I am not going to repeat for the fifteenth time the same arguments and answer the same questions that were answered both here in the house at the time of the resolution and in detail in the committee.

The hon. member for Port Arthur and the hon. member for Timmins tried to make a great big case and cause great excitement over the fact that we have not consulted the province of Quebec. This has not been done in 25 years by any government building railroads in Canada. The provinces have never been consulted. They do not want to be consulted, because they tell us "Look, railways are your baby. Don't try to get any money out of us to build railways; we are not interested". So it is absolutely utopian to think that the province of Quebec will give us money to build railroads. There are two provincial railways in Canada, and they do not come to us for money with which to build railroads. They would laugh at us if we went to them and asked for money to build railroads. This is exactly what will happen in the province of Quebec. This has never been done.

The hon. member for Timmins, following the hon. member for Port Arthur, raised the matter that no proper study has been made of the project, that we did not have any reports, and so on. The Canadian National Railways has made many studies of this situation; they have made reports to the Department of Transport and to myself. In 1957 they made a very extensive study and came to the conclusion that it was not in the interests of Canadian National Railways to build a line themselves, but they made a very detailed report to the department. It was on these reports and on other studies made by economists of the department and private individuals—quite independent economists—and also taking into account the great contribution of the chambers of commerce and different organizations in the area, that we reached this decision. Since I have been Minister of Transport it has always fascinated me to see the great effort that is being made in this part of the province of Quebec by the people helping themselves before coming to the government to try to obtain handouts. In the lower St. Lawrence the chambers of commerce got together; they set up study groups and hired economists and engineers to make special surveys. They have paid for that, and these reports have been extremely helpful to the experts of my department. All these various reports and factors were considered by the government in reaching the decision to go ahead with this railway.

As far as the MacPherson report is concerned, there is nothing in that report which says the government should stop building development railways. The MacPherson report made a great difference between national policy and a national transportation policy. The railway being considered by the committee at the present time is a development railway, and as such it is a matter of national policy and should be the responsibility of the government. The government did not saddle the Canadian National Railway with the expenses of this railway; this is absolutely in line with the MacPherson royal commission report and with the philosophy of that report. Therefore I do not think we have to worry, because it is not going against the recommendations of the MacPherson royal commission report.

Of course, we are all anxious to see this railway line pay, and it will pay. It is a matter of when it will start to pay after the amortization of the capital. Personally I am very confident that it will come sooner than we think, because we have examples in this area of Canada that the people are hard working and are determined to see their natural resources exploited and developed so they can carry on living in the area and building up a future for their children.

Mr. Fisher: Mr. Chairman, I just want to make some very brief remarks on what the minister has said. He indicated, as he did before—and I appreciate it—that this is a matter of national policy. My hon. friend from this region seemed to question that anyone from outside the province should comment upon it, and right in the minister's own argument we have this explanation that it is a matter of national policy; that is, government policy in the transportation field.

There is one other point I should like to put on the record in relation to motives. The present government, for example, right within my own home city and part of my constituency is spending approximately $9 million for just one dock and one terminal facility. This is much appreciated. Approximately $1 million a year goes into the estimates of the Department of Transport and the Department of Public Works to keep up the facilities there. Over half of the bridge subsidy of $7 million a year for rail traffic relates to the rail lines in my constituency. I say this to emphasize that I do not raise this matter from any point of view of being mean or hesitant about the spending of money. We appreciate the money that is spent in our area. However, surely it is worth while examining this matter very closely, given the rusting branch lines in many parts of the country—and not less in our area, where there is a great deal of large volume tonnage—and we should be as analytical as possible in approaching a proposition such as this. I can only say, with all respect for the fairness of the minister's comments, that neither the evidence of the committee nor what he said here has convinced us that in principle this is a good proposition for a development railway.

(Translation):

Mr. Denis: If I understood him well, the minister stated that trunk line will probably not be self-supporting, especially in the near future, but that it will be perhaps a little later; however, he has decided to build it.

How is it that, using the same argument, he has refused to admit that the Richelieu-Vercheres people were right about the Richelieu waterway, while he himself stated that he did not consider the Richelieu waterway because the project was not self-supporting?

Mr. Balcer: Mr. Chairman, I am glad my hon. friend should give me the opportunity of stating the facts of the matter.

What I said, at the time, while my hon. friend from Richelieu-Vercheres was asking me questions, was that the reports we then had, established that the project was not self-supporting. Since then, we have received further reports, the latest ones having enabled us to deem it proper to have a full inquiry by engineers in order to ascertain its precise cost. The initial reports indicated a much higher cost; on the other hand, the latest ones we have are very encouraging, and that is why the government has decided to proceed with this enquiry which will allow us to ascertain precisely not only the cost of the project, but the depth that the canal should have.

Mr. Denis: If I understand well, Mr. Chairman, there are two policies: one for the Gaspe peninsula, and the other for Richelieu-Vercheres. Because the Richelieu waterway was not considered self-supporting, you decided not to go ahead with it. As far as this trunk line in the Gaspe peninsula is concerned, you have indicated it was not self-supporting, but just the same you have decided to build it. Consequently, what you are doing for the Gaspe peninsula, you refuse to do for the Richelieu-Vercheres people.

(Text):

Clause agreed to.

On clause 2—*Estimates.*

Mr. Bourget: This morning the minister tabled the draft arrangements of the C.N.R., and in these draft arrangements there are some conditions set out, especially on page 1 where there is a clause or condition, No. 5, in which it is said that Her Majesty will pay to the company certain sums of money in respect to various services. In particular, the draft talks about the expenses or costs of supervision, accounting, treasury, law, engineering, maintenance of service and other miscellaneous expenses.

I wonder whether the minister has, first of all, a breakdown of these expenditures, and, second, if he can tell us whether all these expenses are included in the $14 million mentioned in the schedule.

Mr. Balcer: I think the hon. member is quoting from page 2, paragraph 5.

Mr. Bourget: Yes. That is the first page. That is the reason I called it page No. 1. It is marked page 2.

Mr. Balcer: Is it paragraph 5?

Mr. Bourget: Yes, it is.

Mr. Balcer: Paragraph 5 says that Her Majesty will pay to the company for and in respect to the work of construction of the line of railway the actual cost to the company of performing the work of construction of the said line, including supervision, accounting and so on. Yes, that is all included in the $14 million. This is all counted as construction cost; it is all part of the capital cost of the railway.

Mr. Bourget: It is included in the $14 million. I still believe it would be of advantage to have a breakdown of these figures, particularly as to the expense of engineering costs, because I see that 5 or 6 per cent is contemplated for plans and specifications. That would amount to some $840,000, an important consideration, and I think it would be interesting to have the breakdown. Otherwise, I do not know how we can arrive at a useful judgment on this estimate of $14 million.

Mr. Balcer: In the construction of these branch lines and the preparation of estimates of cost, the railway companies are, of course, guided by their experience of such matters. The items referred to by the hon. member are all separate expenses, but the costs will be kept by the company and all the figures will be submitted to accounting. The bills, when presented, will be reviewed by our accountants and paid by the government. If the hon. member asks, for example, how much will be spent in legal fees, I am afraid I cannot say at the present time and I do not think many people could. But based on its experience of rail construction in Canada in the last 50 years the railway company has been able to make a certain estimate as to the cost of this, as well as the other services which the hon. member mentioned. The company knows for instance, that so many bridges will have to be built. It has to determine what the cost is likely to be in order that we might have a bill before us which the house could approve.

The hon. member will note that we add 15 per cent to the $14 million—that is done in clause 3, where the phrase "not exceeding in any case the sum of $16,100,000" appears. This 15 per cent is intended to cover any difference between the estimates and the actual cost.

(Translation):

Mr. Bourget: Mr. Chairman, I fully understand all the arguments put forward by the minister, but what I want to know—and he must surely realize it—is this: what will the work cost?

It has been said that $14 million, or perhaps 15 per cent more, will be spent if necessary.

I find it strange that we are not given any information on particulars as important as those mentioned in clause 5. We are unable to obtain any definite figure.

For instance, engineering costs are mentioned. If you figure that out at 5 or 6 per cent, the minister will realize that this is an important item. If I remember well the information given to us last week in committee, it was mentioned that the only survey made was an aerial survey. I fail to understand how the cost could be estimated at $14 million after an aerial survey only had been made. The minister might answer that the C.N.R. has wide experience when it comes to estimating construction costs on a mileage basis, but, on the other hand, construction costs of an overpass, for instance, can vary considerably because of the nature of the soil and foundations.

Consequently, I feel we are entitled to more information concerning a $14 million contract.

I do not want to insist, sir, since we are in favour of the project, but I feel that the committee should have this kind of information in view of the circumstances, because it is important for us to know what will happen in the future. That is why I would ask the minister to give us that information. I will even go further to help the minister; if he does not have that information at present, he could give it to us later on so that we may have a breakdown of that amount.

(Text):

Mr. Balcer: According to clause 6:

> The Minister of Transport shall present to parliament during the first thirty days of each session held prior to the date of completion fixed by or under section 1, a statement showing in detail the nature and extent of the work done under the authority of this act during the previous calendar year, and the expenditure thereon, and the estimated expenditure for the current calendar year, together with the amount of any payments made under section 4, and such further information as the Minister of Transport may direct.

I think it would be an excellent opportunity at that time for my hon. friend to get it.

Mr. Bourget: What is the minister reading from?

Mr. Balcer: I am reading from the bill itself, clause 6. The questions that my hon. friend is asking are with relation to matters that are usually handled by the management of the C.N.R. This is really in their domain. It is really a management breakdown that my hon. friend is asking for at the present time. I have not this information and we do not have it in the department. This is a C.N.R. matter.

Mr. Bourget: The C.N.R. is acting as an agent and should know.

Mr. Balcer: They will make their survey and then they will be able to assess how much is going to go for overhead.

Mr. Bourget: I am not going to pursue the matter now. However, what I should like the minister to do is this, if he would be kind enough to do it. Will he give us detailed estimates maybe later on, say some time next week, so that we will know and be informed of the cost?

Mr. Balcer: I will not be in a position to do that next week. A complete survey is needed in order to find out how much it is going to cost for every precise detail that is listed in this subsection 5. We need a complete survey. The survey is going to start right away. We figure that the survey will be over next fall and that is when we will start the actual construction. However, until the survey is done, I do not know how much engineering there is going to be and how much of the breakdown is for that purpose. The way in which we arrive at $14 million is this. It is based on the experience with other branch lines of the same length, over the same kind of terrain and under the same regional conditions.

Mr. Bourget: The minister said that the survey will be completed next fall. Does he mean that the land survey will be completed or does he mean also that all the plans will be ready and in shape so that the C.N.R. will be able to ask for tenders.

Mr. Balcer: In the latter part of the summer the survey will be over and the plans will be made and we will be ready to start actual construction early in the fall.

The Deputy Chairman: Shall clause 2 carry?

Mr. Fisher: I wanted to ask the minister again about the very point that has been raised. We have the evidence that only a preliminary survey has been made by the C.N.R. from aerial photographs. I should like to ask him this question and it relates to this question of the estimated expenditures. Is this the normal practice in building a line? Is it the normal practice to have such a superficial survey as this—and it seems to me that an aerial survey is a superficial one—as a basis for an estimate of the cost? I suppose in a way this is what the hon. member for Levis was asking but I am putting it in a much more direct way. I was disturbed by what has been indicated. The minister said that the C.N.R. surveyed this thing from an economic point of view. This is something which I cannot quite understand. How could they make such a thorough economic survey as he indicated just a short time ago and yet have so little in the way of particulars with regard to the engineering structure and as far as the breakdown of costs is concerned.

Mr. Balcer: All this is absolutely normal. Whenever the C.N.R. decides to build a branch line or rather I should say before they decide to build a branch line they make a general survey. It is not a detailed survey but it is a general survey. This survey is made so that they may have an idea of what the thing is all about. On this preliminary survey they come to certain conclusions, whether it is worth it or whether it is not worth it. Then when the branch line is voted here, they have enough money with which really to go ahead and make the actual detailed engineering survey from which the detailed costs of construction will be arrived at. However, you cannot expect the C.N.R. to have a complete engineering survey of all kinds of proposals for branch lines and to keep that process going on all the time. It would cost a fortune. Millions of dollars would be wasted. Therefore, whenever there is talk of building a railway, the C.N.R. makes a kind of preliminary survey. It is not a detailed survey. However, it is a survey that gives them a chance to have a general idea of what is required so that they may make approximate estimates. That is precisely why we have in every branch line bill before the house this provision of 15 per cent in order to allow the difference between the actual costs and the preliminary estimate.

Clause agreed to.

On clause 3—*Maximum expenditure.*

Mr. Bourget: Has the minister any information about the cost of the land that will be required for the right-of-way?

Mr. Balcer: I was going to say yes, but I am afraid I would surprise my hon. friend too much. I was in the Gaspe peninsula and I may tell my hon. friend that the value of the land varies from one place to another. There is there some very valuable land and there is also some less valuable land. However, I have not the figures with me.

Clause agreed to.

On clause 4—*How payments to be made.*

Mr. Fisher: I should like to ask the minister a question in relation to this clause. I understand the funds for the payment for construction and later on the payment of any deficits will come out of the consolidated revenue fund. Therefore in this sense we will not have a continuing account to indicate the cost of the capital to the government in so far as it relates to this specific problem. I assume that to be so. That being the case,

has the minister an estimate of the cost of amortizing or paying for this particular road and over what period of years has the projection been made, assuming let us say, taking the most pessimistic view, that there will be enough revenue to take care of the capital expenditure plus the interest?

Mr. Balcer: I am informed that in the studies we have done in the Department of Transport we have sort of taken into account the operating costs but not the amortization. What I mean is that we have based the estimate on operating costs and the revenues of the railway on actual potential traffic. However, we have not taken into account the traffic that will develop as a result of the fact that a new railway is being developed in that area. We are quite confident that there will be bulk cargo of the type of mineral ore. As a matter of fact we are convinced of it. However, in our setting up of the accounting for the thing, we have not taken account of that factor at all. As far as the construction cost is concerned, it will be paid to the C.N.R. which will act as our agent. If there is any surplus it will come back to the Receiver General of Canada and if there is any deficit it will be paid out of the consolidated revenue fund.

Mr. Fisher: I take it from the minister's answer that the $14 million—

Mr. Balcer: Actually I am not too sure whether I understood the question correctly.

Mr. Fisher: In other words, the $14 million is being supplied from the general taxation revenues and there will be no particular record kept of it. It will never be balanced against the economic feasibility of this line in the long term.

Mr. Balcer: A record will be kept of all the capital expenses as well as the operating expenses. This will be reviewed in parliament as an item in the estimates of the Department of Transport. We will keep a record of the capital cost of the construction and when there is a net revenue it will be credited to the amortization of the capital cost.

Mr. Fisher: The capital cost will be a fixed sum, whatever the total cost will be, and it will not bear any interest developing from year to year to increase that amount. Is that correct? I ask the minister this because he knows that, for instance, the Jacques Cartier bridge is an example of a government enterprise where not only did the income not meet the operating costs for many years but also it did not come close to meeting the interest charges upon the debt, and so instead of the amortization on the Jacques Cartier bridge fading away over the years it has been piling up. I would assume that that would not be so in this particular case.

Mr. Balcer: It will not. It will not be money borrowed from the government on which interest will pile up and finally develop into a huge amount of money. It will be a one-shot payment but a record will be kept of it and if there is any surplus revenue it will go toward amortizing the capital cost. Actually it comes back to the government. It is simply a bookkeeping entry, but there will not be interest paid on this $14 million.

Mr. Fisher: Could I ask one question following that? Can the minister give us an example of a similar kind of payment in the railway field since the government took office? I just want to check the situation for my own purposes.

Mr. Balcer: Not exactly the same. For instance, we are subsidizing the Pine Point railway but that is a different financial arrangement. As far as the Chibougamau railway is concerned, there is a subsidy of $25,000 a mile so it is a different financial set-up. This one is a development railway, as I have said so many times, and it is a different financial set-up which will be established by order in council incorporating the draft agreement that I have tabled in the house.

Mr. Fisher: I thank the minister for his reply. It is as stark as I had thought. In other words, we will have probably $14 million as a minimum, though it may vary 15 per cent up or down, going out of the revenues of the government in the next year or so directly into this project. In this sense it is an unusual expenditure in this particular field in that there are no precedents that I know of for this particular kind of railway expenditure. I am making this assumption. Every year we have a railway bill or two before us and I should like to be sure that I understand this one completely. I am assuming that this is a unique precedent, shall I say, for the construction of a branch line in modern times.

Mr. Balcer: No, Mr. Chairman. This branch line is very similar to the Hudson Bay Railway. The Hudson Bay Railway was built at government expense. At first it did not make any money but the revenue grew and finally it was transferred to the C.N.R. It is now a paying proposition. It was the same set-up. The government paid for the construction and the C.N.R. acted as agent. Only in 1957 was the Hudson Bay Railway included in the C.N.R. international system.

Mr. Fisher: Does the minister mean that the Hudson Bay Railway did not have a debt structure? I have not got the reports here but

I understood that it did have a debt structure and that there were annual charges against the debt. It seems to me that the scheme in this instance is a unique approach to railway building, but the minister says it is like the Hudson Bay Railway. Am I wrong in my memory about the Hudson Bay Railway? Does the minister mean that the capital cost of the Hudson Bay Railway was met out of the consolidated revenue fund and there were never any interest charges on the debt?

Mr. Balcer: All of the construction costs were paid out of the consolidated revenue fund and all deficit costs on the operation were paid out of the estimates of the Department of Transport. My information, subject to correction, is that these moneys did not carry any interest charges, so the situations are similar.

Mr. Fisher: I might indicate why I am curious about this matter and why I want to come back to it again. As the minister can imagine, if the idea of taking a lump sum out of the current revenues of the government and putting it into a branch line is a unique precedent, it will be an attractive way to many sectors of the country to get railway developments there. I have to accept the minister's judgment that the Hudson Bay Railway was a precedent of the same kind though from my memory it did not strike me that way. I want to ask the minister this question. In the consideration of how to approach the matter of how to finance this road, was the alternative considered of setting aside a fund or was the C.N.R. approached with the suggestion that "we will give you a subsidy of $50,000 a mile for so many years as an operating subsidy and then the matter will fall directly within Canadian National Railways". It is pretty apparent from the nature of my remarks and my phrasing that my knowledge of how capital is handled in a financial way is not very extensive, but the thing that intrigues me is that I have always understood it is considered poor practice for a government to use money from the consolidated revenue fund en bloc in this way for what might be called a current project with no consideration being given to the payment of the cost over a number of years, and the normal interest charges upon that cost.

I have seen the point made in a number of places, including economic textbooks, that this is really bad management. It is the sort of thing, for example, that most tax regulations will not allow private corporations if it can possibly be avoided. It seems to wipe out the whole idea of the regular amortization of debt. I wanted to get it very straight in my mind because I would imagine that this is a very clear precedent and we will have other sections of the country coming here, not only in relation to railways but the building of canals, requesting the same treatment. I can think of a project such as the Richelieu waterway. We have a canal project up our way leading off lake Superior, and we would like it set up on the very same basis.

Mr. Balcer: Crown companies do amortize their capital expenditures, but I am informed that the government often pays a direct subsidy out of the consolidated revenue fund, without any interest being charged. I think a good example of this is the ferry boat *Abegweit* and the *William Carson.* These ships were built by the government. The government pays the cost of construction of the ship, say it is $14 million or $15 million, and then the ship is turned over to the Canadian National for operation. The Canadian National acts as agent for the government.

Clause agreed to.

On clause 5—*Adjustment of surplus or deficit.*

Mr. Fisher: I wanted to ask a question in relation to this clause. In clause 7 of the memorandum of agreement, I find these words:

> That the company will maintain and make available as and when required for audit by the appropriate officers of Her Majesty accounting records of the said line of railway showing the cost of management, operation and maintenance thereof and a record of all revenues accruing to the said line of railway for the services rendered or facilities provided.

Does this mean the Auditor General?

I should like to have this very clear in my mind because one of the things I have always advocated has been that the Auditor General be turned loose in Canadian National Railways. I think it would really set the chickens flying. I should like to think that this clause means the Auditor General would be the proper officer of Her Majesty in this regard. I bring up the question on this clause, Mr. Chairman, because the clause goes into the question of annual operation.

Mr. Balcer: It will be an officer of the Department of Transport who will do that or an officer designated by the Minister of Transport.

Mr. Fisher: In other words, it is not the Auditor General?

Mr. Balcer: No.

Mr. Fisher: Was any consideration given to specifying the Auditor General?

Mr. Balcer: I shall be pleased to consider that.

Mr. Fisher: I hope the minister will consider it because, as I take it he is probably aware, the present Auditor General, in a review that has been made of the role of his department within the past year and by a parliamentary committee this year, has given an indication in his annual report that he is interested in and would like to be responsible for the auditing of a number of crown corporations. It seems to me that this is a good example of how we can get an investigation, distinct from the Canadian National auditors. I know Canadian National Railways auditors are appointed by parliament through the minister. I do not want to suggest by my remarks that I have a criticism or suspicion of these auditors. However, I should like to make the point that in a case like this I do not believe this particular set of auditors who look after Canadian National should be the ones to make this annual review or audit for the Minister of Transport.

Mr. Balcer: I just want to add that this railway will be our own property. It will be the responsibility of the Department of Transport. It will be studied here as an item in the estimates of the Department of Transport, and as such it will be audited by the Auditor General as are all other items of the Department of Transport.

Mr. Fisher: In connection with this annual investigation, would the minister indicate what arrangements Canadian National Railways have in mind in so far as the servicing of this line is concerned? It will have quite a bearing on the annual operating accounts, for example. What is going to be the divisional point for the operation of this line, will it be Mont Joli? Has he had an estimate from the railway, say after five years, as to the amount of equipment or the number of employees that will be employed in the annual operation?

Mr. Balcer: The Canadian National will act as agent. They will supply the equipment and the labour force needed. They are the ones who are qualified to decide where the divisional point is going to be, where we are going to have stations, and things like that. They will act as agent of the government, so there will be a management of this rail line.

Mr. Benidickson: I think we have an interesting point here in connection with the auditing of an asset that is with Canadian National Railways simply for the purpose of management. Now, I do not know that inspection by an officer of the Department of Transport, from the point of view of auditing, can be very extensive. Parliament apparently does not place very much responsibility on the Department of Transport in connection with the operation of other entities belonging to the crown which are managed by Canadian National Railways. I assume this would be an asset that might be put into this category. When one reads the vote it says that we will pay to Canadian National Railways Company, hereinafter called the company, such deficits as are certified by the auditors of the company. Then, they go on to refer to some of these other entities such as the Newfoundland ferry terminal, the Newfoundland car ferries, which are all part of our transportation system, but not something Canadian National put into its own system.

When the minister rose to refer to the precedent of the Hudson Bay Railway, I was about to make the same suggestion. I thought perhaps the policy being followed here was similar to what was followed in the case of the Hudson Bay Railway. I do not recall now what has happened to the accounts of the Hudson Bay Railway because the Hudson Bay Railway is not one of the entities in the book of estimates for which parliament is asked to make up the deficit. Does it mean that in recent years there has no longer been a deficit on the operation of the Hudson Bay Railway, or have I a proper recollection that in some manner these lines which were originally called the Hudson Bay Railway were transferred directly to the Canadian National Railways, are now part and parcel of that system, and anything related to them comes in under the reports of the C.N.R.?

Mr. Balcer: A few minutes ago I mentioned our ferry services. It is going to be the same system. It is the property of the Department of Transport and the Canadian National Railways act as an agent. The C.N.R. keeps all the records and our own Department of Transport people will receive them. The C.N.R. are responsible to the Department of Transport and the records will be subject to the auditing of the Auditor General of Canada. It will be exactly the same thing. The services, operation and costs of construction of this branch line will be under the auditing of the Auditor General.

Mr. Benidickson: That is not what it says in the book of estimates. It says that the minister is obligated to pay to the Canadian National Railways what its auditors, the company's auditors, certify was the deficit in the operation of these enterprises. The other question was, did the Hudson Bay Railway not operate originally in the manner in which the minister proposes in this bill with respect to the Matane railway?

Did it not at one time, like the ferry services, present an annual deficit which parliament was asked to pay to the Canadian National Railways?

Mr. Balcer: These were annual deficits that were included in the estimates of the Department of Transport as such.

Mr. Benidickson: But they are not now.

Mr. Balcer: That is not what it is. In this present case there will be an item in the estimates for the construction of the railway, and also if there is anything further to be paid it will be paid by an item in the estimates, but all of this will be subject to the auditing of the Auditor General.

Clause agreed to.

On clause 6—*Report to parliament.*

Mr. Fisher: I want to ask a question relating to clause 6. In the committee the minister indicated that we would be able to discuss this when the government estimates came before the house, which is a privilege that we are very pleased to have. Certainly there are enough opportunities at various times in any session to debate the situation with regard to the C.N.R. in this house. Every year we have a number of motions which give us an opportunity to speak on matters relating to the railway, but the best opportunity an hon. member really has to review the operations is when something comes before the parliamentary committee.

I would like confirmation of what I had assumed from the evidence given in committee, that is, that every year when the C.N.R. report comes before the sessional committee on railways and shipping we shall have the opportunity to go fully into the operations of this particular branch line with the minister and the head of the C.N.R., who will be there ready to answer any questions that relate to this. Have I got the correct understanding on this point?

Mr. Balcer: All answers that can be given by the president of the C.N.R. to the standing committee on railways, canals and telegraph lines will be given as president of the agency. He will be there in his capacity as an agent for the Department of Transport, but the proper questioning will be done in the house when the Department of Transport estimates are called. Of course if the estimates of the department are sent to the committee on estimates hon. members will have the opportunity to go into details there. Any questioning of the president of the Canadian National Railways that is done with regard to the railway in the special committee on the C.N.R. and T.C.A., will be in his role as agent for the Department of Transport.

Mr. Fisher: I take it from that that questioning will not be ruled out so far as the actual development is concerned, but the main limitations—

Mr. Balcer: It will be left to the committee to decide.

Mr. Fisher: I have one point to raise in connection with this draft arrangement with the C.N.R. and its terms and conditions. In drawing up this particular draft arrangement could the minister tell us was there a precedent in so far as this particular arrangement is concerned, or is this form of arrangement again a new precedent? I am curious and anxious to know what was the model for this particular draft.

Mr. Balcer: This draft arrangement was prepared by the officials of my department and the officials of the C.N.R. They took as a basis for this agreement similar agreements which we have with the C.N.R., where the C.N.R. have done some work of maintenance for the Department of Transport. It is a sort of similar draft agreement.

Mr. Fisher: I take it from his answer that there are partial precedents in terms of this draft arrangement, but there was no other arrangement identical with this to which we could turn to see whether this had been used before.

Mr. Balcer: I am not aware of any.

Clause agreed to.

Schedule agreed to.

Preamble agreed to.

The Deputy Chairman: Shall the title carry?

Mr. Fisher: On division.

Title agreed to.

The Deputy Chairman: Shall the bill carry?

Mr. Fisher: On division.

Bill reported.

The Acting Speaker (Mr. Chown): When shall the bill be read a third time? Now?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Chown): Before giving the floor to the hon. member for Port Arthur (Mr. Fisher) there was a document presented for tabling by the sponsoring Minister of Transport, and I should like to get leave from the house to table the document now. Has the minister leave to table the agreement which was filed with the table when Bill C-67 was being considered in committee of the whole?

Some hon. Members: Agreed.

Mr. Balcer moved the third reading of the bill.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, in the admittedly voluminous discussion that has taken place upon this measure in committee we have expressed our doubts about this line and its economic feasibility. We think that, from our point of view at least, we have indicated that here is a most unusual one shot, $14 million take from the consolidated revenue fund to develop a railway line that on the face of it, as we look at it, has not any economic substance or any bright economic future. I say the rail line, not the area through which the rail line will go. We feel that we should put our criticism into the proper parliamentary form, and for that reason I should like to move, seconded by the hon. member for Timmins (Mr. Martin):

That this bill be not now read a third time but that it be referred back to the committee of the whole with instructions to add thereto, immediately after clause 6 thereof, a clause 7 to provide

That the coming into force of this bill be deferred until such time, not exceeding one year from this date, as the standing committee on railways, canals and telegraph lines has undertaken a study of and reported upon the feasibility of expending the moneys authorized by this bill in such a way as to provide for increased economic development of, and more appropriate transportation facilities for Gaspe peninsula.

The Acting Speaker (Mr. Chown): Perhaps one of the hon. gentlemen in the house would be prepared to assist the Chair in arriving at a decision as to whether or not this amendment is in order, particularly with reference to the question of whether or not it introduces new material to the bill itself.

Mr. Regier: Mr. Speaker, I believe that at the time the house gave second reading to this bill it endorsed the principle that there be expended a certain specified amount of money in order to aid in the transportation problems of the Gaspe region of Canada. I believe that, after having accepted the principle that money should be made available to aid and relieve the transportation problems of this region, it is perfectly in order upon third reading to refer the bill back to a committee and to ask the committee to explore other possibilities whereby the transportation problems of this area might be assisted.

I see no conflict between the amendment now offered and the basic principles that were endorsed by this house on second reading, and therefore I contend that the amendment moved by the hon. member for Port Arthur (Mr. Fisher) is very much in order.

Mr. Churchill: Mr. Speaker, on examining the amendment we find that it is not doing what amendments of this nature normally do, that is refer a bill back for some immediate action by the committee of the whole house either to make some amendment to the bill or some change.

This amendment is asking that the bill be referred back to the committee to add an additional clause, and in that additional clause various things are set up for the standing committee on railways, canals and telegraph lines to do. The amendment says that within one year that committee would be empowered to undertake "a study of the feasibility of expending the moneys authorized by this bill in such a way as to provide for increased economic development of, and more appropriate transportation facilities for, Gaspe peninsula".

Surely it would involve considerable expense on the part of the standing committee to undertake a study of the feasibility of expending the moneys that are being suggested for the purpose of this railway—

Mr. Regier: This is really new in Canadian parliamentary history. The expenditure by a committee is now raised as an objection.

Mr. Churchill: —and it is not directed to determining the feasibility of the railway branch line itself. The amendment talks about "increased economic development", which encompasses a very wide field indeed, I suggest, and might involve general surveys of the entire land in the Gaspe peninsula. It might involve testing for mineral wealth, and things of that nature. It might involve an assessment of the forest products there and the methods of dealing with them. It would be a very large study indeed when the amendment goes as far afield as talking about the "increased economic development of, and more appropriate transportation facilities for, Gaspe peninsula".

I do not know whether that means more appropriate transportation than the proposed railway line itself. If it does, then it means surveys with regard to other means of transportation; highways, or perhaps water transportation or air transportation. The result is that this amendment, if adopted, would destroy the purpose of the bill itself, and of course it is obviously intended to be just a delaying factor. If the hon. members do not approve of the proposed railway line in the Gaspe peninsula, they should simply vote against the measure.

Mr. Herridge: Mr. Speaker, I regret very much that I have been absent from the chamber a great deal of the time this important measure has been under discussion, but my recently enlarged duties are the cause of that. I find that delegations coming to Ottawa go to the Prime Minister's office, and the great

majority then come to see me. That has kept me out of the chamber a great deal more than in the past.

Some hon. Members: Oh, oh.

Mr. Herridge: However, in our group we always discuss these matters thoroughly in caucus; every measure that comes before this house is thoroughly discussed in our caucus, where we have our advisers. This measure, similar to others, was given considerable discussion in our caucus, and to be quite certain that we knew all the facts and were on sound ground we called in two economic advisers from French Canada who know the area quite well and who know the problems. We wanted to be certain that we came to a decision which, in our opinion, was best for the inhabitants of the region which the provisions of this bill would affect. I do not intend to repeat the excellent arguments which were advanced by the member for Port Arthur (Mr. Fisher). My hon. friend from Port Arthur is, our spokesman on questions of transport—

The Acting Speaker (Mr. Chown): I am looking for the hon. member for Kootenay West to assist me in coming to a decision as to the admissibility of this amendment and I would ask him to stay closely to that point.

Mr. Herridge: I was under the impression that you had allowed the amendment. I shall have to rise again in order to make a few remarks and advance my argument, but, like the hon. member for Burnaby-Coquitlam I have never before in 17 years of experience in this house heard advanced as a reason for an amendment being out of order the statement that it might cause an expense on the part of a committee of this house. I think the leader of the house was on very unsound ground in making that contention.

I suggest the amendment is in order because it is a constructive alternative to the proposal now before us in the form of this bill. It has the same spirit and purpose as the bill itself but it is designed to provide a second look to see whether we can do something better than spend this $14 million as proposed in the bill.

Mr. Browne (St. John's West): Mr. Speaker, I draw your attention to section 418 of Beauchesne, fourth edition, at page 288 which reads as follows:

> The question for the third reading is put immediately after the report from the committee of the whole. All amendments which may be moved on a second reading of a bill may be moved on the third reading with the restriction that they cannot deal with any matter which is not contained in the bill. On the second reading of a bill, an amendment may be moved expressing opinions as to any circumstances connected with its introduction or prosecution, or seeking further information in relation to the bill by committees or commissioners, the production of papers or other evidence, or the opinion of judges. This cannot be done on the third reading because it is not directly connected with any provision of the bill.

Therefore, I suggest that such an amendment as the hon. member proposes is out of order.

The Acting Speaker (Mr. Chown): The Chair was in some difficulty in considering this amendment because there was a reasonable doubt as to whether the material introduced was or was not extraneous to the purpose of the bill. I am grateful to hon. members who have assisted me in arriving at a decision. I wanted to refer the house to May's 16th edition, where the paragraph at the top of page 578 reads as follows:

> As the debate on the third reading should be confined to the contents of the bill, reasoned amendments which raise matters not included in the provisions of the bill are not permissible.

This is the rather fine point over which I was having some difficulty. The citation read to the house by the Solicitor General is, however, a little more mandatory in its wording. I shall quote only part of what the hon. gentleman read from Beauchesne:

> On the second reading of a bill, an amendment may be moved expressing opinions as to any circumstances connected with its introduction or prosecution, or seeking further information in relation to the bill by committees or commissioners, the production of papers or other evidence, or the opinion of judges. This cannot be done on the third reading because it is not directly connected with any provision of the bill.

These are the words which satisfy me it would be difficult to admit this amendment as a proper one. Accordingly, I must rule that it is out of order.

Mr. Herridge: This is the first time in my experience in this house that one third of my speech has been on a point of order and the remaining two-thirds on the second reading of the bill—

Some hon. Members: Third reading.

Mr. Herridge: Third reading. We are opposed to this bill because we think it is a completely uneconomic proposition designed to the disadvantage of the area concerned and to the disadvantage of the Canadian people as a whole.

There is an investment of $14 million proposed and we have been told, according to the evidence of the committee, that there will be a gross annual revenue of around $250,000. Surely, anybody who looks at this proposition from a sound business point of view must realize that if there is no chance of increasing this gross revenue there will be little opportunity of paying the cost on the capital or the operating costs. I understand that this is in the nature of a grant, but whether this is so

or not, this money has a certain earning power for the people of Canada, and the charges have to be met from some source. It is obvious that for many years, if not for the life of this railroad, there will be a heavy annual loss to be borne by the Canadian taxpayer in the absence of anything to counter that loss or to ensure the economic operation of this railroad in the future.

We fully appreciate the attitude of the members who have spoken in support of this bill—those hon. members who have the honour to represent the areas directly affected. We understand their anxiety to get this bill through. What we do question is their method of trying to assist the area concerned. Their method is to press for the construction of an uneconomic railroad. We support this expenditure of $14 million, but for the reasons given by the various members of this group who have spoken, led, in this case, by the hon. member for Port Arthur, we suggest an alternative proposal as was mentioned in our amendment which was ruled out of order. For these reasons this group proposed that amendment and opposes the proposal contained in the text of this measure.

Mr. Speaker: The hon. member for Burnaby-Coquitlam rose to speak, I understand.

Mr. Regier: Yes, I rose to speak, and I intend to offer an amendment.

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper.

FINANCE

PROVISION FOR PRINTING OF NEGOTIABLE INSTRUMENTS IN ENGLISH AND FRENCH

On the order:

Second reading of Bill No. C-18, an act respecting the printing of negotiable instruments in the English and the French languages—Mr. Pigeon.

An hon. Member: Stands.

Mr. Speaker: Does this order, order No. 1, stand at the request of the government?

Mr. Churchill: No.

Mr. Speaker: Dropped.

SMALL LOANS ACT

AMENDMENT TO REDUCE MAXIMUM INTEREST RATE

Mr. Hazen Argue (Assiniboia) moved the second reading of Bill No. C-19 to amend the Small Loans Act.

He said: The purpose of this bill is to set a limit of 1 per cent per month as the maximum interest rate which could be charged by small loans companies on loans up to $1,000. The reason it is worded in this way is that the Small Loans Act at this time sets a smaller rate for loans in excess of $1,000. As long ago as 1955, Mr. Speaker, I had the honour to introduce in this house a bill which would limit the interest rates on small loans to 1 per cent per month. At that time there were very few facilities available to many people in the country who wished to obtain small loans for personal needs. The measure that I presented at that time received a good deal of support across this country. I had a great many communications at that time in support of that general proposition and I have had a great many since then.

In 1956 the government of the day brought in a government measure which was sent to the banking and commerce committee of this house and which went some distance toward reducing interest rates that could be charged by small loans companies.

Up until 1956 the maximum rate was 2 per cent per month on loans from zero to $500. Beyond that point there was no control. In 1956, the measure of that day set an interest limit of 2 per cent per month on loans from zero to $300; 1 per cent per month on loans of $300 to $1000; and one half of one per cent per month on loans from $1,000 to $1,500. This was an important step forward.

Those who spoke at that time on behalf of the small loans companies in this country said that the measure of that day would bring financial ruin to the small loans companies. They said it would mean that they would be going out of business, that they would be obliged to curtail their loans. This dire forecast has not been fulfilled. The small loans companies have continued to expand and to increase their business and their profits. However, the campaign, if I might call it that, which was started in this parliament in 1955 has been continued since then and, I would suggest, has received a more sympathetic hearing year after year.

The problem of high interest rates charged to ordinary borrowers has impressed itself on a larger and larger number of members of this house. The problem, of course, is not confined to small loans companies and loans from small loans companies only. The problem results in the tremendous or fantastic interest rates that are very often charged on second mortgages—these fantastic interest rates may go as high as 20 per cent or 25 per cent per year—and the fantastic rates that are often charged on instalment credit. In other words, the ordinary small borrower with a low income who had to borrow for personal purchases, for household purchases or in order to deal with family emergencies,

very often in the past has been a victim of the unscrupulous lender who has charged very high interest rates.

Some people have decided to attack this problem from various angles. When I first introduced this bill the then hon. member for Saskatoon, Mr. R. R. Knight, introduced another bill which, if it had been passed, would have made it necessary for small loans companies in their advertising to set forth the interest rate they would charge. An amplification of or an improvement on this idea was brought forward in the Senate last year by Senator Croll. There is before the other place at this time a bill which would provide that in any loans made by financial institutions the actual interest charged must be set forth in the contract. The hon. member for Rosthern this year in this chamber introduced a bill which is similar to the bill introduced in the other place.

These are two good bills. I hope the bill in the other place reaches a vote and I hope that it is passed. I hope the bill of the hon. member for Rosthern might reach a vote in this session and be passed. That is a hope I have, Mr. Speaker, but it is not much more than that. We all know what happens to private members' bills; and with the new arrangement—and I am not complaining about it; I think it is an improved arrangement—with a one hour debate, the chance of a bill coming to a vote, unless all of the parties wish it to do so, is indeed extremely remote. However, the fact that a member of this house and a member of the other place have decided this field was important enough to warrant their putting forward bills asking that the interest rate be set forth in contracts so that the borrower might readily understand the interest rates that must be paid is, in my opinion, a very good omen. I have had on the order paper another bill which would set a general interest ceiling across this country of one per cent per month. If such a measure were passed by this house, then of course this particular measure with its more detailed application would not be necessary.

I would suggest, Mr. Speaker, that the time has arrived once again when the whole problem of high interest rates charged by small loans companies, finance companies and moneylenders and including interest rates charged on second mortgages and on instalment credit, should be referred to the banking and commerce committee of the house. I believe that witnesses should be called, that evidence should be heard and that parliament itself should decide to deal with this very important problem in a more effective way than it has been dealt with in the past.

In recent years there have been some improvements in this general field of lending money to lower income earners and in lending money at lower interest rates. A very important institution in this country and one of growing importance is the credit union or the caisse populaire. The credit unions are serving the Canadian nation well in a very important way. The credit unions across this country are growing and are providing an excellent service. I have in my hand a publication which is entitled "Credit Unions in Canada, 1960" and which is published by the economics division, Canada Department of Agriculture. It shows that in 1960 there were 4,667 chartered credit unions in Canada with a membership of 2,544,300 and that the number has been growing at a very significant rate. In 1950, for example, there were 2,965 chartered credit unions with a membership at that time of just over one million, being 7.5 per cent of the population. By 1960 membership in the credit unions was 2,554,300, being 13.9 per cent of the Canadian population, and assets had increased from $312 million in 1950 to $1,299 million in 1960.

Credit unions provide credit to their membership at cost. They charge as a maximum rate 1 per cent per month, and they have been able to do a large and successful business. As a matter of fact, many credit unions are able to pay dividends both to persons who have invested money in the credit union and to the persons who are borrowing money from it.

The 1 per cent interest rate that I have suggested in this bill would not in any way affect the credit unions, and I think their success together with the success of the small loans companies with the new interest rates of 1956 suggest that if this bill were passed even the small loans companies would be able to continue in business and make a return.

There are a great many credit unions that charge much less than 1 per cent per month. In the province from which I come the credit unions very often charge rates of 6, 7 or 8 per cent per year depending on the type of loan. I belong to two or three credit unions.

Mr. Horner (Acadia): Do you need that many?

Mr. Argue: Oh, I find it is a little easier to borrow sometimes if you have more than one opportunity to do so.

Mr. Thrasher: Spread the risk.

Mr. Argue: I try also to pay my accounts on time. One credit union to which I belong is the Assiniboia credit union which makes the boast of being the largest rural credit union in Canada with assets, I believe, of some $4½ million. Their lending rate is 7 per

cent and loans are life insured so that if the borrower should die the loan is automatically paid up out of their life insurance fund and the estate of the deceased does not have to meet that obligation. In addition, this large and successful credit union in a town in rural Saskatchewan last year paid to the borrower a 10 per cent patronage dividend on the interest that he had paid. In other words, the net interest rate worked out to 6.3 per cent, and this for a life insured loan. I think this indicates an excellent type of lending institution from the standpoint of the small borrower in this particular community.

Credit unions have done and are doing a marvellous job in this country and I am sure that the role they play will be a greater one in the years ahead. I might say that in my experience the credit unions have received the support of the whole community in which they operate. Farmers, small business people, workers and professional people all find that it is to the general advantage of the community itself to have a place where local funds can be deposited, where they can be lent to borrowers who need those funds and where the funds generated in the community will bring about the greatest possible benefit to the community as a whole. So this is an alternative form of borrowing for many who in the past have had to go to small loans companies to get money.

Another alternative form is the chartered banks themselves which in recent years have gone into the small loans field in a very large and successful way and I am sure in a very welcome way. In 1957, for example, loans on the security of household property amounted to less than $8 million while in 1961 the total was $224 million. Other personal loans in 1957 amounted to $400 million while at the end of 1961 the total was over $800 million.

The banks have promoted the small loans field in recent years. Their branches in the cities and towns are being established in the suburban areas and the shopping centres where they are available to meet to a substantial degree the borrowing needs of citizens within the area. This is another method of attacking this very important problem. I am proud of the accomplishments of the past in reducing the cost of small loans to borrowers. I am very pleased with the growing use of credit unions and with the development of the personal loans divisions within the chartered banks.

There are further problems at this time with respect to high interest rates in the second mortgage field and on much instalment credit. This is a great problem. It is receiving more sympathetic consideration from members in all parts of the house. I should like to see this measure passed. As an alternative I should like to see it sent to the banking and commerce committee so that a further study of the general problem might be made and such bills as those presented in the other place and that of the hon. member for Rosthern (Mr. Nasserden) in conjunction with this one might be studied to the end that the credit needs of ordinary Canadians might be supplied at the lowest possible interest rate.

Mr. R. S. MacLellan (Inverness-Richmond): Mr. Speaker, Bill No. C-19 which is before us this afternoon proposes an amendment to the Small Loans Act. As has been set forth, the situation at the present time is that under the Small Loans Act a charge of 2 per cent per month may be levied on all loans or balances of loans under $300. Interest of 1 per cent per month may be charged on loans exceeding $300 and up to $1,000 and, in the third category, a charge of one half of one per cent per month on loans over $1,000. The bill would place a ceiling of 1 per cent per month on all loans up to $1,000 and then one half of one per cent on loans over $1,000.

I must say, Mr. Speaker, that I have noted considerable interest among members of the house in the matter of small loans financing and instalment buying in general. There are now some three bills on the order paper which are concerned with this matter, and I think one of the best is that introduced by the member for Rosthern, Bill No. C-6, which would require the cost of servicing these loans to be shown as a percentage of principal. I am sorry I was unable to be present in the house when this bill came up for debate but I had to be in my riding at the time. If I had been here I would have supported the member for Rosthern in what I believe to be a very worthy objective.

I have also noted a very wide interest throughout the country in this matter of consumer financing, and interest rates on small loans. I believe other members of the house have the same experience as I, that they are receiving many letters from day to day on this topic urging that some inquiry be made into the situation. Certainly the problem of consumer financing today, grown as it has to become a giant in the financial world in the nation, is one that concerns everyone.

Only a few years ago the chief lender in the nation was the bank, even for the purpose of a small loan. Now the situation is much more complicated with many borrowers going to small loan companies. Much credit is put out by acceptance corporations which underwrite quite a bit of the merchandising of the nation. I have felt that as this business has grown there has grown with it the need for some form of protection for the consumer of credit similar to the protection that is set

up for the consumers of general merchandise to protect people from fraudulent types of credit just as they are protected from fraudulent merchandising.

I remember not long ago trying a court case at home in which a man had signed an instalment contract in blank to purchase a car. Later, the car was repossessed and an action was brought against him to recover the balance owing on the vehicle after the car had been sold. He came into court to say that he had no idea at all that the finance charges would be as much as they were; that this was a different deal from the one to which he had agreed with the car dealer. The judge felt that the deal seemed to be pretty close to what the dealer represented it to be and he required the defendant in the case to stand by his contract, although he had signed it in blank. The buyer had put his signature on this instalment contract, it had been endorsed for value, and he was therefore, held liable for it. I merely state this to show how often people are deceived into signing documents of this type, and how lightly some enter upon a transaction which could be quite important. Many people who will shop widely for good prices on merchandise will slip very quickly into a proposition that requires them to pay a large amount for carrying charges on the products they buy.

As I have said, I see considerable interest in the country in this problem. Just the other day I had a note from a friend of mine who came originally from Cape Breton but who is now living in Ottawa and is interested in social work. He sent me a clipping from the *Western Producer* about the bill introduced by the hon. member for Rosthern and suggested I support that bill. In his letter which he attached to the clipping, he simply said, "Bob, is there any way a private member like yourself can help this proposal?" Well, I think that indicates two things: One is the amount of interest of a lot of people in this sort of thing and, second, how very few people realize how much impact the opinion of a private member in the house has upon the government in matters of this kind.

As hon. members are aware, we now have a royal commission on this subject which will be conducting hearings all across Canada in the months to come. I refer to the royal commission on banking and finance in Canada, the appointment of the members of which was announced by the Prime Minister on October 18. It is under the chairmanship of the distinguished Mr. Dana H. Porter, chief justice of Ontario. The other commissioners are, Mr. W. Thomas Brown, of Vancouver, British Columbia; Mr. James Douglas Gibson, of Toronto; Mr. Gordon L. Harrold of Calgary; Mr. Paul H. Leman, Montreal; Dr. W. A. Mackintosh, Kingston; and Mr. John C. MacKeen, a well known businessman from my own province of Nova Scotia. All of these men have excellent qualifications for this work which is before them. The commission is now active; the secretariat has been set up and, as I said, hearings will commence across the nation very soon.

The terms of reference of the royal commission are very broad. They will be considering matters of the kind proposed in this bill today as well as matters of the type proposed in the bill introduced by the hon. member for Rosthern. I think this is an example of how quickly the government acts in matters of this kind, where private members have advocated measures which would deal with consumer financing and have suggested that an inquiry should be made. As hon. members will recall, when bills similar to this were before the house before, most members were inclined to be cautious about having such bills passed. However, many did suggest that an inquiry should be made into the whole field of consumer financing. As a result the government has launched this commission, and it surprises me how few people in the nation seem to know that the inquiry is going ahead. Indeed, the hon. member for Assiniboia suggested that a special committee should be set up to inquire into consumer financing and interest rates. I wonder if he realizes that these matters will be gone into by the royal commission?

Mr. Argue: I have more faith in us than in a royal commission.

Mr. MacLellan: I would say the best way to examine this question and make the detailed inquiry necessary would be by means of a royal commission. They have the staff, they have the facilities and the time to go into this matter very fully, to a much greater extent than we could here in a committee. However, Mr. Speaker, I should like to put on the record the statement of the Minister of Finance when he announced in the commons on June 20, 1961, that this royal commission would be set up later. Speaking of the terms of reference of the commission at that time, as reported on page 6648 of *Hansard* for June 20, 1961, he said:

> Meanwhile, I say that the terms of reference will be broad, covering all aspects of money, banking, credit and finance. The financing of the Canadian economy will be one of the major areas of study. Such broad topics as the pattern and behaviour of interest rates, consumer credit and instalment financing, and the management of the public debt, will be included in the terms of reference. The commission will be asked to study existing financial institutions, such as the chartered banks, the Bank of Canada, and other institutions that perform banking and credit functions, and the various acts of parliament which govern their activities.

The commission will also be asked to consider ways and means of encouraging the development of savings institutions. It would be our intention that the report of the commission should be available well in advance of the decennial review of the Bank Act.

I put that on the record to show that this royal commission will be going into matters covered by this bill today. I would suggest to the house that this bill should not be passed until we have had an opportunity to see the report of the royal commission following their exhaustive inquiry.

I am very pleased to see this inquiry taking place. As I have stated on previous occasions in this house, this is a very complicated issue and one which needs to be examined, certainly one which should have a very careful and exhaustive examination before precipitate action is taken. It is very easy to say that 12 per cent should be enough interest for anyone to earn on a loan and indeed, of course, at first blush it is. However, there are many situations, as all hon. members are aware, in which high risk credit is required and this rate may not be high enough to make the loan attractive to the lender. Rates depend on many factors which are always fluctuating. I doubt very much if it would be in the interest of the nation to limit the rate of interest as this bill suggests, without first of all looking fully into all the aspects of the case. Of course, I am in accord with the general principle of the bill.

The rates that are charged at any given time in any sector of the economy will depend upon the money supply at the time, the demands for loans of the type in question and the risk which is involved, as well, of course, as the cost of administering the loan. Everyone will realize that 6 per cent on a $10,000 mortgage loan can be obtained with very much less administration cost than on the same $10,000 advanced in 100 small loans. The administration needed for each of these 100 loans could be even greater than on a mortgage loan of $10,000 which had real estate security behind it. It has been pointed out that credit unions get by with a rate of 1 per cent per month. It has been my experience, working closely with credit unions, that there are many types of loans which a credit union must decline because it wants to keep the interest rates down. They normally require the endorsement of someone having funds on deposit in the credit union, or some other type of endorsement that will more or less guarantee the loan. Many loan companies and instalment companies lend money only on the value of goods, and their security is not nearly as strong in the case of default as the endorsement of a guarantor.

[Mr. MacLellan.]

However there can be no question but that the whole subject of consumer financing is very important and has very widespread economic and social effects. Indeed one is often surprised at the lack of knowledge shown by many people as to what they actually pay for money and what interest costs on many of these instalment transactions. Some time ago I was reading a book which I know is familiar to many hon. members. It is entitled "The Organization Man" by William H. Whyte, Jr. The book deals generally with the development of the new white-collar group in the United States, the young executive people who are climbing the ladder in industry and business, and it surveyed generally the life of the new suburbia which has grown up in the last 20 years.

The book is very interesting, particularly chapter 24, where the author writes of the results of surveys made into the buying and saving habits of these young executives in the suburbs of the larger cities. I think it would be well to bear in mind that the people of whom he speaks are not uneducated people. Most of them have college education or are graduates of high schools. If anyone should understand the mysteries of instalment buying and the cost of credit, and should be able to apply that knowledge, surely these people would be the ones. But this is what Mr. Whyte says as a result of the surveys he has conducted in many of the big subdivisions in the United States. I am quoting from page 326:

For a future capitalist, the organization man displays a remarkable inability to manipulate capital. His handling of "debt consolidation" is a case in point. The growing popularity of loans for this purpose conjures up a picture of chastened citizens tightening their belts and cannily reducing total interest charges. The picture is quite misleading. It is true enough, of course, that in taking out one large loan from a bank a person can cut down the interest he has been paying on a variety of purchases from 25 to 30 per cent to a low of 12 or 18 per cent. But this is not the reason most purchasers take out the loan. In actual practice their consolidating is a sort of check-kiting operation by which they can square themselves away for yet another round of commitments. When these are halfway digested, they will be back again. And again.

They pay dearly for the convenience. Consider, for example, a possible alternative. A mythical couple we will call the Frugals decide to defer all but necessary purchases for enough months to accumulate an extra $500. They will then have a revolving fund of their own which they can use for cash purchases, and instead of paying out a fixed amount each month in instalment loans, they will use these sums to replenish the $500.

Now let's take a normal couple. The Joneses, with precisely the same income, don't put off purchases but instead commit themselves to a combination of instalment loans and revolving-credit plans. At the end of ten years the Joneses would have paid out somewhere around $800 in interest. The Frugals, by contrast would have earned interest —roughly $150. Not counting the extra benefits

they would have reaped by being able to buy for cash, they would be, in toto, almost a thousand dollars better off.

The Frugals, to repeat, are somewhat mythical. Most suburbanites fail to accumulate capital to produce capital, and they fail to manipulate what capital they do have. It rarely occurs to them, for example, to use their savings as collateral in taking out a loan. Were they to do this they could frequently get an actual rate as low as 4¼ to 4½ per cent instead of the usual 10 to 12 per cent—and their savings would still earn them the regular rate of interest.

Again I say the author is speaking of people who are well trained and educated under a formal educational system which is comparable and parallel to our own.

I am very pleased to see that the royal commission is examining this very important matter. I think what is needed in this field is first of all to have forms of finance contracts, perhaps set by statute, which will clearly set forth the cost and legal effects of merchandising under this system. So far as these forms go, I think the fine print on the back should be summarized on the front in block type so that a man who signs one will know what he is signing. For example the form should tell him that the dealer is lending him the merchandise until it is paid for. He should know that if he defaults he is still liable for the price of the goods, even if they are repossessed. It should tell him that if the goods are sold and they do not bring in an amount sufficient to cover the balance of principal and interest then he can be sued in court for the difference. Also I think it should be clearly stated on the face of the form what is the total cost of finance and other charges, shown both as a sum of money and as a percentage of the principal involved.

There are some who will say that this is a free enterprise country and that we should be very careful with the ways in which we interfere with the flow of credit, particularly as much of the manufacturing industry depends on this type of instalment purchasing. I agree with that, but it is my suggestion that free choice depends upon one having a knowledge, of the facts and factors involved, so that a rational choice can be made.

I would like to see my children and all other children across the land taught in schools about this type of financing because they will be meeting it a few years after they leave school. No boy or girl should leave grade 8 without understanding that the retailer in many ways is a financier, and of what problems the consumer can get into unless he knows something about modern day merchandise financing procedures.

Mention was made today of the work done by credit unions and figures were put on the record to show their growth from 1950 to 1960. The credit union movement has given a great service to the nation in terms of funds made available to the people, particularly in rural areas, who otherwise would not have this credit obtainable to them. However, I feel one of the greatest contributions which the credit union movement has made has been in the field of education. These organizations have been formed all across the land to bring people together to study matters such as the cost of interest, and the power of savings, and also to show them how with proper handling of their finances so much more can be obtained from a dollar bill. This work of the credit union movement has done a lot of good in the nation. The credit union movement has also pioneered a movement to have some controls set up over consumer financing. This I believe is all to the good.

I would like to conclude by saying again that I am very pleased to see a royal commission on banking and finance set up, which will be inquiring into this problem. This is another example to illustrate that the Minister of Finance and the Prime Minister listen to what is said by hon. members in this house. I am proud to be one of those who have raised their voices since 1958 for an inquiry into this matter of consumer financing and interest rates.

Mr. Nicholas Mandziuk (Marquette): Any measure introduced in either of the two houses of parliament which tends to reduce interest rates receives pretty favourable reaction in the country, and is of interest to the people. I believe this bill will receive the same consideration. I am in favour of most of its provisions. It attempts to reduce the interest rates of loans made by the small loan companies. I know that no tears will be shed by our banks, which offer a similar service, if this bill is passed. I am fully aware of the fact that our credit unions would not be hurt; as a matter of fact they would be in favour of this bill going through.

However I realize that the people most concerned, the small loans companies, would raise a hue and cry, as they have in the past, and would say that if interest rates on small loans were reduced from 24 per cent to 12 per cent it would put them out of business.

Previous speakers on this bill have proved —and I intend to add something to that proof —that the banks are doing very well at a set rate of interest. Our credit unions are doing very well too, in spite of the fact that they give more protection and more service than even the banks, and at a lower rate of interest. If we accept the amendment incorporated in this bill and it means

the demise of the small loans companies, I am all in favour of speeding their demise; I am all in favour of seeing them go, because we have alternate institutions which provide the same service at a lower rate of interest. By allowing and supporting high interest rates we are protecting the loan companies. I feel that it is the people, the masses, the borrowers who need protection, and this bill intends to give just that.

I agree with everything the hon. member for Assiniboia has said about credit unions. I speak from experience in my own credit union, which I have had the honour to manage for a number of years. I can only add that my credit union lends money at 8 per cent and it gives the following services to the borrower. It gives insurance in the event of his death or physical incapacity to carry on his business, profession or trade. In this event, the debt is paid. This money must come from somewhere, and it comes from those whom we call shareholders, in credit union treminology; the people who have little money to spare. These shareholders get insurance up to deposits of $2,000; that is, any member of the credit union who has enough savings in the credit union up to $2,000 is insured to that amount without having to pay any extra premiums. In the event of his death—and I know this from experience—his estate receives the same amount in insurance as he had in savings in the credit union. If his savings were $1,000, his estate receives insurance of $1,000. The same thing applies whether the amount is more or less, but in any event it is up to the amount of his savings up to $2,000.

But more than that, Mr. Speaker, this same credit union has continued to pay 3½ per cent interest to the investors, the members who put their savings into the credit union. This compares very favourably with the bank interest rate of 2¾ per cent. This same credit union has been paying rebates to its borrowers even on an interest charge of 8 per cent. Most credit unions work on the basis of 12 per cent interest, with rebates to their borrowers. In addition to that, my credit union pays the manager. It does not pay a salary comparable to that paid to the executives of small loans companies, but it is worth the manager's while to spend his time in looking after the affairs of the credit union. In addition to that my credit union pays the rent of the office.

If a credit union lending money at 8 per cent interest can give its shareholders a 3½ per cent dividend, on the basis of 12 per cent interest I feel it could give them a 7½ per cent dividend. That is a pretty favourable return on any investment. I know that any hon. member of this house would be quite satisfied with interest of 7½ per cent on his money. Therefore I ask this house: why should the small loans companies be entitled to charge 24 per cent, plus hidden charges, charges that we do not know about? Is this going to drive them out of business? If they are to be driven out of business, the sooner the better, Mr. Speaker.

The bank interest rate is pegged, and the banks are doing wonderfully well. We have only to look at the size and height of the magnificent buildings they have put up to realize this. These small loans sharks are doing even better. The name small loans companies is a misnomer; they should be called high rate loans companies.

Therefore, Mr. Speaker, I am very pleased to support this bill. I hope that, if it does not pass now, the time will come when a check will be put on these people who try to get their pound of flesh from the Canadian people.

Mr. J. H. Horner (Acadia): Mr. Speaker, in rising to speak on Bill No. C-19 I first look back to previous debates when this bill was first introduced and when the interest rate was first set at 2 per cent per month on small loans. Actually it has been in effect since 1939 on loans under $500, and from 1956 on this 2 per cent per month interest rate was allowed on loans under $300.

While I support the idea and the theme behind the bill which is before us, there are several questions that come to my mind with regard to the application of the bill. Will the bill accomplish what the mover is trying to accomplish? Why has he arrived at an interest rate of 12 per cent a year, or 1 per cent a month? This is an old question that has been raised in previous debates but never really answered by the mover of this bill. He has introduced the bill several times but he has never really answered this question; therefore it remains to be answered for anyone questioning the feasibility of the bill.

The other question that I wonder about is this: what is the number of loans made every year which this bill will affect; in other words, how big or how small is the scope of this particular bill? How much money is involved, and what percentage is the money involved compared to all loans made under the Small Loans Act? This bill only sets out to reduce the interest rate on the amount of money on a loan of less than $300 so it is actually a proposal involving only a small amount. It does not cover some of the questions which have bothered me with regard to lending money in recent years; these are mainly connected with credit buying. Actually this bill does not affect loans concerning the sale of goods. In other words, T. Eaton and all the

large chain stores can continue to charge their own interest rates or debit accounts with fixed charges with regard to collection and so on. So I ask: would this bill accomplish the things I would like to see accomplished for the small people who buy goods on time?

I know that in my own home area we are not served by large chain stores to any great extent. Perhaps for this reason I do not usually take advantage of charge accounts, but since coming to Ottawa I have had occasion to make purchases in some of the large stores here, and whenever I have presented cash the clerks seemed slightly annoyed. They seemed to be thinking: why bother with this stuff—put it on the account. I wondered why they wanted me to run up a charge account, and the only conclusion I could reach was that they wanted to make money on my money; in other words they wanted to make more money on my purchases. So far they have not been too successful.

Mr. Benidickson: Bankers instead of merchants.

Mr. Horner (Acadia): As the hon. member for Kenora-Rainy River says, bankers instead of merchants. That, in a sense, is true. But with regard to the amount of money concerned in this measure, we should ask ourselves: are the interest rates too high? Are loan companies making profits that are beyond reason or exorbitant? I do not support the hon. member for Assiniboia in the attitude he has taken in the past with regard to profits. I think people and companies should be allowed to make profits. In this case we must ask ourselves whether the profits are unreasonable. The mover of this bill has not yet produced any evidence which, in my opinion, suggests that the profits are out of line. I have gone back through previous reports and I notice that in 1946 the government of the day introduced an amendment to this act to reduce the interest rate from 2 per cent to 1½ per cent. This amendment was referred to the banking and commerce committee following second reading and I imagine it was given exhaustive study by that committee, though I have not had time to look up the records. In any case, the bill was not reported back to the house. Even in that year, 1946, it was stated that the companies were not charging the maximum allowable rate of interest but that they were only charging 1½ per cent. However, the measure was not reported back to the house, so I am still in doubt as to whether this figure of 12 per cent or 1 per cent per month which the hon. member has put forward is appropriate or just in the light of all the circumstances.

I certainly support the contention that people taking advantage of small loans should be able to get them at a reasonable rate. I also recognize that when a small sum is borrowed the fixed charges may be as much as they would be on a larger loan and that therefore it is reasonable to expect that the percentage charged would be slightly higher in the case of a small loan than in the case of a larger one.

Today more than ever before we are living in a credit economy. Credit is a very important thing. In fact, I think it the most important thing. I believe that all young people going out into the world should take their credit very seriously. Actually, this bill can only affect those companies which are licensed and which have a federal charter. Loan companies or finance companies with provincial charters can operate within a province and charge any rates they like on loans above $1,500. This is a point which I should like to see covered; I think it would be more beneficial to the borrowers than the particular piece of legislation we have before us because there are a large number of people who borrow sums larger than $1,500. Many people borrow money from finance companies to purchase automobiles and other goods which are necessary in the modern world.

Mr. Speaker: Order. Would the hon. member permit me to draw his attention to the clock?

BUSINESS OF THE HOUSE

Mr. Churchill: The business for Monday will be third reading of the bill relating to the proposed railway line in the Gaspe peninsula followed by supplementary estimates. If these are disposed of we have other legislative items available.

Mr. Benidickson: Can the minister not indicate what those legislative items may be on Monday or Tuesday?

Mr. Churchill: I must leave it open to see what progress we make with the supplementary estimates which have become urgent. We could go ahead with the resolution standing in my name dealing with amendments to the Veterans Land Act.

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

HOUSE OF COMMONS

Monday, March 12, 1962

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

SMUGGLING ACTIVITIES OF CANADIANS ON INTERNATIONAL COMMISSIONS

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, it had been the hope of the government, in view of Canada's important international commitments in Indo-China and the extremely delicate situation prevailing there at this time, that the allegations regarding smuggling activities by certain Canadians serving on the international control commissions there would not be made the subject of public debate. Meantime with regard to the statement made by the Secretary of State for External Affairs and also by the Minister of National Defence matters that are under investigation are under ordinary circumstances not subject to discussion in parliament, and it has been regarded as a matter of public policy that they ought not to be. However, an hon. member of this house who is not present at the moment, the hon. member for Burnaby-Coquitlam (Mr. Regier), has chosen not to accept the statements of the Secretary of State for External Affairs to the house and has made certain statements outside this house which are inaccurate. For that reason it becomes necessary in the national interest to set the record straight.

Late last year it was discovered that some of the military members of the Canadian delegation to the international supervisory commissions in Indo-China were engaged in smuggling activities within Indo-China. Immediate investigations by the military authorities in Indo-China indicated that one commissioned officer and one non-commissioned officer had engaged in gold smuggling, and five other ranks appeared to have engaged in either the smuggling of gold or opium. All of those involved who were still in Indo-China were recalled to Canada. Disciplinary action was taken in Indo-China against a number of these military personnel before their return to Canada. Investigations of the others are still continuing.

At first it was believed that only military members were involved, but subsequently it was learned that two members of the clerical staff of the Department of External Affairs serving in Indo-China had also been engaged in smuggling. Administrative action to prevent a recurrence was taken immediately by the Department of External Affairs and by the Department of National Defence. The Royal Canadian Mounted Police were apprised of this situation and were requested to take charge of the investigation in so far as it affected the civilian members of the Department of External Affairs. The two members of the Department of External Affairs engaged in these improper activities were returned to Canada and have been interviewed by the R.C.M.P. They have signed statements admitting that they acted together in smuggling a quantity of gold and a parcel of opium, on behalf of a Chinese person, from one city to another in Indo-China. Both men have been suspended from the public service of Canada with a view to subsequent dismissal.

The hon. member for Burnaby-Coquitlam has referred to ugly rumours and speculation in the press. Three rumours that caused the house most concern appear to have originated in what the hon. gentleman is reported to have said. Reports have appeared in the press that the persons concerned received large sums of money as a result of engaging in these activities. Certain of those concerned did receive sums of money in local currency, but the reports concerning the amounts have been very greatly exaggerated.

The hon. member for Burnaby-Coquitlam is quoted in the March 9 edition of the Ottawa *Citizen* as saying:

> Viet Nam has been a major source of supply for narcotics coming into Canada.

There is no evidence whatever, Mr. Speaker, that narcotics have been smuggled into Canada by Canadians serving on the three truce commissions in Indo-China. The hon. member for Burnaby-Coquitlam has linked this affair with what he describes as "mass arrests in British Columbia by Royal Canadian Mounted Police a few months ago." Again I must say that on the information I have—and I have personally looked into the matter in detail—that statement is completely mistaken. There has been nothing to indicate or suggest that this matter is in any way related to the arrests in British Columbia to which the hon. member referred. The drug involved in the matter which is before the house is opium, which the enforcement officers advise is rarely if ever handled by illegal narcotics dealers in Canada.

The statement I have made represents the results of an investigation made not only by the department of defence in respect of those who belong to the armed forces, but as well by the Department of External Affairs and the R.C.M.P. with respect to the civilian employees. If the hon. member, or any hon. member, is in possession of any information bearing on this case, the house may be sure that the information will be used, and used effectively if it is conveyed without delay to those responsible for these investigations. But as far as the government and the several departments are concerned, I have given a full and complete statement regarding this matter.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I think it is well that the Prime Minister should have made this statement. The details of the statement, which will certainly require consideration, seem to me to confirm our view that it would have been well if a statement of this kind had been made immediately after the original allegations were made, because in the very nature of things those allegations were bound to receive a great deal of publicity. That happened and that publicity grew, in the absence of information, over the week end in a way which was bound to result in unfortunate speculation and rumours which might have reacted unjustly and unfavourably on the services concerned.

I think the house welcomes the statement made by the Prime Minister, and it is to be hoped this statement will remove some of the more alarming rumours and will put this matter in perspective.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the members of this group appreciate the Prime Minister's frank statement on this very serious situation, which no doubt has caused great concern to the Canadian people. All I wish to say is that if after investigation these allegations prove to have some substance, the members of the armed forces or personnel of the Department of External Affairs should be dealt with under the Criminal Code and, if proven guilty, sentenced according to Canadian law. We hope there will be no shielding of anyone because of their position or because of the circumstances in which these alleged irregularities existed.

Mr. Diefenbaker: Mr. Speaker, in view of the suggestion made by the hon. member I might be allowed to answer. I appreciate what the Leader of the Opposition had to say in this regard. He himself is fully aware of the fact that in 1956 similar difficulties arose, but they were dealt with at that time by the government of the day in the manner which this government has followed.

With respect to the suggestion of the hon. member, in so far as civilians are concerned the hon. gentleman says they should be proceeded against under the Criminal Code. An examination of the Criminal Code and of the other pertinent acts, particularly the narcotics act, indicates that the offences, having been committed outside of Canada, are not subject to prosecution in Canada. That was one of the situations which was revealed during the course of the events of 1956.

[*Later:*]

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): My question arises out of the fact that I was surprised, almost shocked, to hear that Canadians in service overseas, whether in the defence forces or in various departments of government, are not subject to Canadian law. I ask my question because I believe it is the responsibility of parliament to the Canadian people to maintain a high standard of integrity in the public service.

Mr. Speaker: Order. If the hon. member has a question to ask, perhaps he would ask it, but I doubt from his preamble whether he could ask a proper question, one which would not be inviting a legal opinion.

Mr. Herridge: This is a very proper question. I will ask the Minister of National Defence this question. If any commissioned officers are found guilty of a criminal offence outside Canada, will they be permitted to continue to hold Her Majesty's commission?

Hon. D. S. Harkness (Minister of National Defence): That, of course, is a hypothetical question. However, perhaps I should point out to the hon. member that when the Prime Minister was dealing with this matter earlier, he spoke of civilian personnel. I should like to make it clear that military personnel, no matter where they may be serving, are subject to the code of military discipline.

TRADE

WHEAT—ANNOUNCEMENT OF NEW INTERNATIONAL AGREEMENT

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, on behalf of the Minister of Agriculture I should like to make a statement concerning the international wheat agreement.

In January of this year the Canadian government received an invitation from the secretary general of the United Nations to

participate in the United Nations wheat conference, commencing on January 31 in Geneva, for the renewal or replacement of the current international wheat agreement which came into effect on August 1, 1959, and which expires on July 31, 1962.

Mindful of the important part successive wheat agreements have played since the late 1940's in assuring supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices, and aware of the wide support for the international wheat agreement among producers organizations in western Canada, the government authorized the dispatch of a strong delegation including government officials, Canadian wheat board representatives and members of the advisory committee of the Canadian wheat board, who are at the same time leaders of the principal farm organizations in western Canada.

Nearly 60 countries took part in or were represented by observers at the six week conference. The negotiations have now come to a successful conclusion. Subject to ratification by the governments concerned, a new three year international wheat agreement, similar in structure to the 1959 agreement, will come into force next August 1, expiring on July 31, 1965. Should all the major exporters participating in the conference, including the U.S.S.R., ratify the agreement, all the important sources of wheat will be brought within the ambit of international wheat co-operation.

The new price range raises the minimum price, in U.S. dollars, for No. 1 Northern in store Fort William/Port Arthur and Vancouver from $1.50 to $1.62 and the maximum price from $1.90 to $2.02½. At the current rate of exchange this price range in Canada in dollars is $1.71½ minimum and $2.13⅝ maximum. It should be noted that selling prices for the next three years are to be within the price range, and that actual prices will depend on market conditions. It is worth pointing out in this connection that the actual selling price in Canadian dollars for No. 1 Northern at Fort William fell, during the course of the present agreement, to a low of $1.63⅝ in November 1960. This is not only 50 cents lower than the new maximum of almost $2.14, but it is about 8 cents lower than the new minimum.

In view of these facts hon. members will appreciate the remarkable degree to which prices have recovered, due both to a changed market situation and to the current discount on the Canadian dollar. Members will also appreciate the significance of a higher minimum price, keeping in mind the extent to which prices did fall in recent years before surpluses began to diminish rapidly in the face of increased exports and reduced production.

The new agreement provides that so long as prices remain below the maximum price specified in the agreement, each member importing country undertakes to purchase from member exporting countries a specified percentage of its total commercial purchases of wheat. The exporting countries in turn agree, in association with one another, to supply all the commercial requirements of the importing countries so long as prices are lower than the maximum price. When prices reach the maximum, member exporting countries undertake to supply member importing countries with a definite quantity of wheat based on their average purchases over a recent period of years at a price not greater than the maximum, and importing countries are released from their obligation to make their purchases from member exporting countries.

The agreement also continues to provide for an annual review of the world wheat situation, which has been an important feature of the 1959 agreement. These reviews are carried out in the light of information obtainable in relation to national production, stocks, prices and trade including special transactions under government assistance programs.

In anticipation of a possible wider participation of exporters in the agreement, member importing countries have accepted a commitment to purchase a larger percentage of their commercial requirements from member exporting countries. Of particular importance is the strengthening of safeguards for the commercial marketings of the exporting countries by means of more precise definitions of what constitute commercial and concessional sales. Furthermore, consideration was also given by the conference to the effective utilization of excess supplies of wheat in raising levels of consumption and assisting in general economic and market development in developing countries with low levels of individual income. While it was recognized that programs to this end are provided for by individual governments and on a multilateral basis, it was agreed that the objectives of the agreement should reflect the concern of the conference for the problems of developing countries.

The new agreement represents a significant advance on the present agreement. With all the important sources of wheat covered by the new agreement, importers will enjoy, despite sharp reductions in wheat supplies, a greater assurance that they will be able to purchase their commercial supplies of wheat at equitable and stable prices. At the same time

exporters benefit by reason of the increased price range, the increased obligations of importing countries and the improved safeguards for commercial marketings. I am glad to say that this new agreement carries the unanimous support of the producer advisers who were members of the Canadian delegation throughout the conference, and I am sure it will equally commend itself to all members of the house. The text of the new agreement will be submitted for ratification at the present session.

The members of the delegation deserve our thanks for the highly successful conclusion of these negotiations. The chief members of the delegation were J. H. Warren, assistant deputy minister of the Department of Trade and Commerce, C. F. Wilson, consul general for Canada at Chicago and W. C. McNamara, chief commissioner of the Canadian wheat board.

The producer advisers who were in attendance were A. W. Runciman, president, united grain growers, Winnipeg; J. S. Stevens, director, united grain growers, Winnipeg; C. W. Gibbings, president, Saskatchewan wheat pool, Regina; A. P. Gleave, president, Saskatchewan farmers union; Saskatoon, Gordon L. Harrold, chairman, Alberta wheat pool, Calgary; W. J. Parker, president, Manitoba wheat pool, Winnipeg.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, inasmuch as the terms of the new three year wheat agreement announced by the Minister of Veterans Affairs on behalf of the Minister of Agriculture indicate a rise of 12½ cents a bushel in both minimum and maximum prices under the agreement it should, as the minister suggested, commend itself to all sections of the house. However, it must be remembered that the strengthening of the position of those who are exporting wheat has been largely due to the fact that new customers who were not buying wheat when the last agreement was formulated have appeared in the picture. Most of these are communist countries. In addition to that, the new customers have appeared coincidental with a falling off in the volume of crops of wheat in exporting countries in recent years.

The minister made reference to the exchange rate and the lower value of the Canadian dollar at this time vis-à-vis the United States dollar. I am sure that in this respect the farmers, being an important element in our export trade, will have noted that the Minister of Finance through the exchange fund within the last two months spent $309 million to prevent the Canadian dollar from going lower.

The minister made some reference to the possible entry into the agreement of the U.S.S.R. It was not clear whether that is probable or merely possible. This, of course, would have a bearing in making the international agreement more secure. I join with the minister on behalf of those on this side of the house in commending the very strong delegation that was sent to this conference. It has always been Canada's practice to send a strong delegation to this important conference. Among the names I recognize many who have previously been delegates to international preparatory conferences.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, hon. members will appreciate the statement the minister has made, and will wish to compliment the department for the leadership it has given in the signing of this new three year international agreement. The increase in price of 12½ cents will go some of the way it is necessary to go to bring about equalization with the increased costs that western farmers, who are most interested in this problem, have to meet. It certainly must be gratifying to all Canadians to know that Canada has been able to play a larger part in arriving at an agreement with respect to an international regulated price, and also that some consideration has been given to the development of new grades for our wheat and that something has been accomplished in this field.

We also appreciate the fact that consideration has been given to new markets and that there is a guarantee that wheat will be available at between the maximum and minimum price to new purchasers. In addition, we appreciate the fact that there will be room within the new international wheat agreement to bring in those new countries that are now going into wheat production, and to assure them of an opportunity to establish themselves in the markets so far as the sale of their product is concerned. I think the fact that Canada has made a contribution to the international wheat agreement is a compliment to the farmers and farm organizations as well as to the department which has assisted in this regard.

HOUSE OF COMMONS

ADOPTION OF REPORT OF CIVIL SERVICE COMMISSION

Hon. Donald M. Fleming (Minister of Finance) moved:

That the reports of the civil service commission concerning certain positions on the staffs of the parliamentary restaurant, the House of Commons, and the library of parliament, laid upon the table of the house, Thursday, March 8, 1962, be now approved.

Motion agreed to.

APPOINTMENT OF COMMITTEE TO CONSIDER GREATER DISPATCH OF BUSINESS

On the order: Government notices of motion:

March 8—The Prime Minister:

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, and, in particular, to consider the desirability of repealing standing order No. 33 (closure rule), with power to send for persons, papers and records, and to report from time to time its findings and recommendations to the house.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PURCHASES OF FEED GRAIN BY FEED MANUFACTURERS

Question No. 228—**Mr. Boulanger:**

Questions

1. Since November 30, 1960, when the regulations of the Canadian wheat board were amended, what quantities of feed grain (oats, barley, and wheat) have been purchased by feed manufacturers directly from the farmers holding a permit book issued by the board, from November 30, 1960, to December 31, 1961?

2. What prices have the farmers received for these three types of grain?

Answer by: **Mr. Charlton:**

1. The new policy respecting feed mill purchases in the prairie provinces did not come into effect until December 1960. According to the terms of the agreement between the Canadian wheat board and the feed mills concerned the mill operators have to report to the board the quantities purchased. This is done twice a year, covering a six month period. Accurate figures on deliveries are available for the period from January 1, 1961 to July 31, 1961. These are shown in the table below. Figures for the first six months of the current crop year are not yet complete, inasmuch as some of the mills have not yet filed their report with the Canadian wheat board. The quantities so far reported for this period are indicated separately in the following table:

		Wheat	Oats (bushels)	Barley
Manitoba	—Jan. 1, 1961—July 31, 1961	421,502	545,599	156,965
	Aug. 1, 1961—Jan. 31, 1962	340,804	435,643	211,155
Saskatchewan	—Jan. 1, 1961—July 31, 1961	239,951	161,578	197,187
	Aug. 1, 1961—Jan. 31, 1962	164,817	87,840	289,220
Alberta-B.C.	—Jan. 1, 1961—July 31, 1961	787,390	972,748	918,175
	Aug. 1, 1961—Jan. 31, 1962	696,871	1,028,413	1,411,412
Totals	—Jan. 1, 1961—July 31, 1961	1,448,843	1,679,925	1,272,327
	Aug. 1, 1961—Jan. 31, 1962	1,202,492	1,551,896	1,911,787

2. In accordance with the feed mill policy, actual prices at which farmers sell to feed mills are negotiated between the buyer and the seller. The feed mill operator is not required to report these prices to the board.

Samples of offering prices by feed mills to farmers are shown in the following table, together with current initial paying prices to producers by the wheat board.

Location	Grain	Board Initial Price $ per bushel	Non-Quota Mill Current Quotations $ per bushel
St. Boniface	No. 5 wheat	$1.05	$1.50
	1 feed oats	.46⅝	.80
	1 feed barley	.75¾	1.10
St. Boniface	No. 5 wheat	1.05	1.40
Winnipeg	No. 5 wheat	1.05	1.50
	1 feed oats	.46⅝	.83
	1 feed barley	.75¾	1.10
Winnipeg	1 feed oats	.46⅝	.80
Steinbach	No. 5 wheat	1.05	1.55 to 1.60

Questions

Location	Grain	Board Initial Price $ per bushel	Non-Quota Mill Current Quotations $ per bushel
Moose Jaw	No. 5 wheat	$1.01½	$1.45
	1 feed oats	.44⅝	.85
	1 feed barley	.72⅞	1.20
Moose Jaw	No. 5 wheat	1.01½	1.55
	1 feed oats	.44⅝	.80
	1 feed barley	.72⅞	1.05
Saskatoon	No. 5 wheat	1.00¼	1.55
	1 feed oats	.44	1.00
Saskatoon	No. 5 wheat	1.00¼	1.60
	1 feed oats	.44	.90
	1 feed barley	.71⅞	1.15
Edmonton	No. 5 wheat	1.01½	1.45 to 1.50
	1 feed oats	.42⅝	.70 to .75
	1 feed barley	.70	.95 to 1.00
Calgary	No. 5 wheat	1.01½	1.45 to 1.50
	1 feed oats	.42⅝	.80
	1 feed barley	.70	1.10
Lethbridge	No. 5 wheat	1.00¼	1.50
	1 feed oats	.43	.88
	1 feed barley	.70½	1.14

*PROPERTY RENTAL SETTLEMENT, LETHBRIDGE, ALTA.

Question No. 234—**Mr. Roberge:**

Has the Department of Transport reached an equitable settlement with Dr. D. B. Fowler of Lethbridge, Alberta, with respect to the latter's claim for rental for the use of his property by the Department of Transport since 1947; and, if so, what are the terms of this settlement?

Mr. Balcer: Mr. Speaker, settlement has not been reached with Dr. D. B. Fowler of Lethbridge in respect of his claim for compensation for the use of his property. Proceedings have been instituted in the exchequer court. The case was to have been heard at the March sittings of the court at Calgary and has been postponed at the request of Dr. Fowler for hearing at Lethbridge this autumn.

*ROYAL COMMISSION ON TRANSPORTATION

Question No. 245—**Mr. McMillan:**

1. How many commissioners were appointed to the royal commission on transportation?
2. How much was paid to each commissioner together with his out of pocket expenses?
3. What personnel were employed by the royal commission on transportation in the course of its hearings and the preparation of its report?
4. What was the total amount paid to them together with out of pocket expenses?
5. What was the total cost to Canada of the royal commission on transportation?

Mr. Diefenbaker: Mr. Speaker, the answer is a rather lengthy one. I wonder if the house would agree to placing it on *Hansard* without being read.

[Mr. Charlton.]

Mr. Speaker: I see what appear to be two pages.

Mr. Diefenbaker: One full page.

Mr. Speaker: Is it agreed that this full page be taken as read and recorded?

Some hon. Members: Agreed.

[*Editor's note: The answer referred to above is as follows:*]

1. Seven.

2. Commissioners	Paid	Out of pocket expenses
Hon. C. P. McTague	$ 1,950.00	$ 1,133.71
H. Anscomb	18,637.50	7,132.07
A. H. Balch	18,875.00	1,450.62
R. Gobeil	18,837.50	6,392.64
M. A. MacPherson	21,675.00	8,172.60
H. A. Mann	11,737.50	4,869.72
A. Platt	26,075.00	9,876.05

3. F. A. Angers (Institute of Applied Economics), Angus Stonehouse & Co., D. W. Carr & Associates, A. G. Cooper, Q.C., G. S. Cumming, A. W. Currie, Economic Research Corporation, Economist Intelligent Unit Ltd., D. Eldon, A. G. Heakes, A. K. Eaton, W. C. Hood, D. L. MacFarlane, J. A. Pilon, Riddell, Stead, Graham & Hutchinson.

4.	Paid	Out of pocket expenses
F. A. Angers (Institute of Applied Economics)	$ 4,560.00	$ 34.90
Angus Stonehouse & Co.	2,411.65	17,369.84

	Paid	Out of pocket expenses
D. W. Carr & Associates	23,040.00	33.30
A. G. Cooper, Q.C.	30,560.00	3,908.25
G. S. Cumming	16,971.00	3,347.74
A. W. Currie	2,730.00	510.84
Economic Research Corporation	46,225.00	422.55
Economist Intelligent Unit Ltd.	3,000.00	—
D. Eldon	3,000.00	—
A. G. Heakes	950.00	—
A. K. Eaton	3,150.00	—
W. C. Hood	150.00	53.35
D. L. MacFarlane	3,775.00	282.50
J. A. Pilon	1,012.00	—
Riddell, Stead, Graham & Hutchinson	11,760.00	180.81

5. Total cost to date $554,535.61.

*CLOSURE OF COLLIERY, NEW WATERFORD, N.S.

Question No. 246—**Mr. Batten:**

Has the Prime Minister received a petition signed by approximately 1,000 coal miners requesting the federal government to take action to prevent the closure of No. 16 colliery at New Waterford, Nova Scotia; and, if so, what action, if any, does the government propose to take on each of the specific proposals advanced by the petitioners?

Mr. Diefenbaker: Mr. Speaker, the answer is yes. On March 7 a delegation headed by Premier Stanfield of Nova Scotia, who was accompanied by the Nova Scotia minister of mines, Hon. Donald M. Smith, and the minister of municipal affairs, Hon. Layton Fergusson, and comprising members of the executive of the united mine workers and representatives of colliery No. 16 and of the municipalities affected, met with the Ministers of National Revenue, Labour, Mines and Technical Surveys and Forestry. The circumstances affecting the plans of the Dominion Coal Company to close colliery No. 16 on or about August 12 of this year were fully discussed. The delegation was assured by the representatives of the federal government that careful consideration would be given to its representations.

*NATIONAL LIBRARIAN—ABSENCE FROM OTTAWA

Question No. 247—**Mr. Fisher:**

1. With reference to the activities of the national librarian, in the period 1957-1961, inclusive, how many weeks has the incumbent been away from Ottawa on official duties?
2. For each of these years, what places were visited, how long were the visits, and what were the purposes of the visits?
3. What was the total cost by year of the travel expenses incurred?

Mrs. Fairclough: Mr. Speaker, the answer to this question takes a little better than a full page of foolscap. I wonder whether it could be printed in *Hansard*?

Mr. Speaker: Is the house prepared to accept the minister's suggestion?

Some hon. Members: Agreed.

[*Editor's note: The answer referred to above is as follows:*]

1. 1957, 4 weeks and 1 day; 1958, 4 weeks and 4 days; 1959, 3 weeks and 4 days; 1960, 2 weeks; 1961, 3 weeks and 3 days.

2. In 1957: Toronto (3 days), to consult with architects of the new national library building; Montreal (2 days) to speak to the Quebec library association and to visit libraries; Boston (4 days), to attend the convention of the special libraries association and speak there; Vancouver (10 days, including a day in Toronto on the way home), to speak at the opening of the new Vancouver public library, and to consult with architects of the new national library building; Toronto (2 days), to speak at dinner of the music publishers' association.

In 1958: Montreal (1 day), to lecture at McGill library school; Windsor (1 day), to receive degree from Assumption University and deliver convocation address; Quebec (4 days), to attend convention of the Canadian library association; Europe (15 days), to visit libraries and consult with librarians, including royal library at The Hague, the bibliothèque nationale in Paris, the British museum library in London, the national library of Scotland in Edinburgh, the Mitchell library in Glasgow and Cambridge University library; in addition, books were purchased for the national library in many of the cities visited, notably London, Edinburgh and Cambridge; Toronto (3 days), for consultations with librarian of Canadian National Institute for the Blind, and with architects of the national library building.

In 1959: Montreal (3 days), to chair round table at the conference of the Canadian national commission for UNESCO; Montreal (2 days), to lecture at McGill library school; Montreal (2 days), to attend opening of new Fraser-Hickson institute library; Edmonton (7 days), to attend convention of the Canadian library association; Toronto (2 days), to confer with publishers' and booksellers' councils; Toronto (1 day), to speak at opening of North York public library; Montreal (2 days), to speak at opening of Westmount public library.

In 1960: Toronto (2 days), to confer with librarians regarding plans for union catalogues in Toronto and Ottawa; New York (2 days), purchasing books for national library; Montreal (5 days), to attend joint conference of Canadian library association and the American library association; Kingston (1 day), to speak at opening of new Royal Military College library.

Questions

In 1961: Montreal (1 day), to lecture at McGill library school; Toronto (2 days), for meetings in connection with the Canadian library week council, of which the national librarian was chairman in 1961; St. Andrews (5 days), to attend conference of the Canadian library association; Toronto (3 days), to receive degree from Victoria University and attend opening of the new Victoria college library; Toronto (2 days), to speak to the book publishers' council; Halifax (2 days), to speak at the tenth anniversary of the Halifax memorial library; New York (3 days), to take part in opening of the Dag Hammarskjold library at the United Nations.

3. In 1957, $29.55; in 1958, $495.78; in 1959, $267.50; in 1960, $126.05; in 1961, $232.30.

*R.C.A.F. RESERVE—INCOME TAX DEDUCTIBILITY OF UNIFORM COSTS

Question No. 249—**Mr. Carter:**

Is the cost of uniforms deductible from taxable income by officers of the R.C.A.F. reserve?

Mr. Lambert: Mr. Speaker, there is no provision for such under the Income Tax Act.

*GRANTS TO CHEESE FACTORIES, EASTERN PROVINCES

Question No. 251—**Mr. Pigeon:**

From 1958 to 1962, what has been, for the eastern provinces of Canada (Ontario, Quebec, and the maritimes), the total amount of the grants paid by the federal Department of Agriculture to the cheese factories (extension, equipment, and premiums on cheese to suppliers)?

Mr. Charlton: The total amount of grants and premiums paid to cheese factories in the maritime provinces, Ontario and Quebec for the amalgamation and improvement of cheese factories and equipment and for premiums on high quality cheese was $6,037,089 during the period April 1, 1957, to February 28, 1962.

*MRS. MAURICE SAUVÉ—TELEVISION PROGRAM "OPINIONS"

Question No. 252—**Mr. Pigeon:**

1. Is Mrs. Maurice Sauvé, the moderator of the weekly program "Opinions", shown on the French television network of the C.B.C.?
2. For how many years has she been the moderator of this weekly program?
3. Since she has taken over this program, what total remuneration has she received?
4. With respect to this weekly program, is Mrs. Maurice Sauvé acting in her capacity of director of public relations for the Quebec Liberal federation?

Mr. Chevrier: Mr. Speaker, I should like to raise a point of order in connection with this question, particularly part 4 thereof. I submit to you with deference that part 4 of this question should never have been allowed, because not only is it not within the departmental jurisdiction of the C.B.C. but it is also contrary to the rules, I believe, to accept a question of this nature. Furthermore, the person whose name has been mentioned has absolutely nothing to do with the public relations of the Quebec Liberal federation, and under the circumstances I would ask you, Mr. Speaker, to erase that part of the question.

Mr. Speaker: In making his point of order the hon. member has rather answered the question himself. I am sorry that I did not notice the fourth section of this question when it was handed in; otherwise I should not have allowed it, because to ask a question of a minister of the crown about employees of the Quebec Liberal federation does seem to me to be going beyond the administrative capacity of the government. If the first three subsections make sense and the hon. member would wish them to stand alone, I think one alternative would be to strike out part 4 and let the first three parts be answered, or the question can be withdrawn and advanced again in another form.

Mr. Pigeon: I agree.

Mr. Speaker: I take it that the hon. member in whose name the question stands would like the first three parts answered and the fourth part struck out as out of order.

Mr. Pigeon: Yes.

(Translation):

Mr. Lambert: Mr. Speaker, the Canadian Broadcasting Corporation advises as follows:

1. Yes.
2. Since October 18, 1958.
3. It would not be in the public interest to disclose particulars of contracts entered into with individuals.

(Text):

*MR. YVES MICHAUD—TELEVISION PROGRAMS

Question No. 253—**Mr. Pigeon:**

Is Mr. Yves Michaud, moderator of the program "Commentaires", also a member of the team producing "Edition spéciale" (shown on the French television network of the C.B.C.), acting in his capacity of chief editor of the newspaper *Le Clairon* of St. Hyacinthe?

(Translation):

Mr. Lambert: Mr. Speaker, the C.B.C. informs me that the answer is no.

(Text):

*JACQUES CARTIER BRIDGE AGREEMENT, MONTREAL

Question No. 254—**Mr. Fisher:**

1. Does the federal government consider that either the province of Quebec and/or the city of Montreal have defaulted or failed to meet the terms of the original contract or agreement entered

into on the Jacques Cartier bridge; and, if so, what steps to date has the federal government taken to see that the contract terms are met?

2. What sums, if any, have the province of Quebec and/or the city of Montreal failed to contribute or give towards fulfilling the contract?

3. If neither provincial nor city agency is in default, what term does the federal government apply to the relationship which came to exist regarding this bridge and the three authorities involved?

Mr. Balcer: Mr. Speaker, the national harbours board advises:

1. In accordance with the terms of the tripartite agreement under which the bridge was constructed, the province and the city each paid $2,045,342 toward the deficits incurred in the years 1930 to 1934 inclusive. The city then discontinued its payments, alleging non-liability, and the province also withheld its payments in view of the position taken by the city. The national harbours board entered suit against the city and was successful in obtaining judgment in its favour. As a result, in March, 1953 the city discharged its indebtedness by the payment of $744,426, together with interest in the amount of $210,407. This covered the years 1944-1949 inclusive. No deficits payable by the province or the city, as defined by the agreement, have occurred since 1949. A petition of right was submitted to the province on August 19, 1953, but no action has been taken by the province to discharge its obligation. The present provincial government has also been approached by the board, but no settlement has yet been made.

2. The province of Quebec is indebted to the board in the amount of $744,426, together with interest.

3. See No. 1.

*LIBRARY EXPENDITURES, EXTERNAL AFFAIRS

Question No. 256—**Mr. Fisher:**

1. For the last three fiscal years, what has been the expenditure of the library in the Department of External Affairs on (a) monographs (b) periodicals?

2. What is the estimated cost of the services in this library of people with (a) professional library training (b) clerical training and (c) any other services such as janitorial?

Mr. Diefenbaker: This reply consists of a large number of figures, and I suggest that the house might consent to having them printed as if read.

Mr. Speaker: Does the house give consent?

Some hon. Members: Agreed.

[*Editor's note: The answer referred to above is as follows:*]

Questions

1. (a)

	Departmental Administration	Representation Abroad	Total
1958-59 ..	$7,234.65	$17,642.55	$24,877.20
1959-60 ..	5,279.94	13,184.57	18,464.51
1960-61 ..	5,920.47	22,101.49	28,021.96

(b)

	Departmental Administration	Representation Abroad	Total
1958-59 ..	$8,485.33	$41,490.62	$49,975.95
1959-60 ..	8,627.11	46,631.02	55,258.13
1960-61 ..	9,166.08	48,467.18	57,633.26

2. (a) $27,360 per annum; (b) $16,890 per annum; (c) Nil.

CHANGES IN FACILITIES, PUBLIC ARCHIVES LIBRARY

Question No. 257—**Mr. Fisher:**

Have there been recent changes in the facilities or privileges offered scholars who use the library at the public archives; and, if so, why were these changes made, what is their nature, and how long will they last?

Answer by: **Mrs. Fairclough:**

The library of the public archives has been moved to two rooms on the ground floor formerly used for museum purposes. In the old quarters, on the second floor, the library staff and most of the book stock were accommodated in the same area; in the new quarters, the staff, readers and a reference collection occupy one room, and the second room is a stock room. The move was made because it had become essential to provide more space on the second floor for manuscripts, and the library is expected to remain in its new quarters as long as the public archives remains in the Sussex drive building.

*VOLUME II, STATUTES OF CANADA, 1952-1960

Question No. 258—**Mr. Howard:**

How many copies of volume II of the statutes of Canada for (a) 1960 (b) 1959 (c) 1958 (d) 1957-58 (e) 1957 (f) 1956 (g) 1955 (h) 1953-54 (i) 1952-53 (j) 1952, were printed in (i) English, and (ii) French; and what was the total cost of such work for each of the years mentioned above?

Mr. Balcer: I have the answer to this question and I am prepared to give it orally. However, it consists of four columns of ten lines each of figures, and perhaps I may therefore be permitted to have it printed in *Hansard.*

Mr. Speaker: Is it agreed that this question, which has been starred, be answered in writing?

Some hon. Members: Agreed.

Questions

Mr. Balcer:

		English	French	Cost
(a)	1960	100	25	$3,447.65
(b)	1959	100	25	3,936.00
(c)	1958	100	25	3,129.68
(d)	1957-58	100	25	1,895.29
(e)	1957	100	25	3,383.93
(f)	1956	40	20	2,502.35
(g)	1955	40	20	2,531.13
(h)	1953-54	40	20	2,934.62
(i)	1952-53	40	20	3,067.60
(j)	1952	40	20	2,314.18

*NATIONAL LIBRARIAN AND CHIEF OF PUBLIC ARCHIVES

Question No. 259—**Mr. Fisher:**

1. In the dual role of national librarian and chief of the public archives, what is the relative disposition of time given by the incumbent to each task?

2. Does he carry out these tasks in one, or two or more offices? Where and/or which?

Mrs. Fairclough: The answer to the first part of this question is that no exact figure can be given, as the relative time devoted to the national library and the public archives varies daily according to circumstances. On the whole, more time is devoted to the archives, because it is at present a considerably larger and more complicated organization.

The answer to question No. 2 is, the main office of the dominion archivist and national librarian is in the public archives building, Sussex drive, but another office is available in the records centre at Tunney's pasture, in which the national library is now housed. The office of the assistant national librarian is in the records centre. The national librarian or members of the staff travel back and forth between Sussex drive and Tunney's pasture as circumstances may require.

*DEEPENING OF MIRAMICHI RIVER CHANNEL

Question No. 260—**Mr. McWilliam:**

1. Have representations been made to the government for the deepening of the Miramichi river channel; and, if so, what action is contemplated by the government towards the completion of this project?

2. If the project has been considered feasible and warranted, when will it be undertaken?

Mr. MacLean (Queens): The answer to the first part of the question is yes. No decision has yet been made regarding the economic and extensive engineering studies required.

The answer to No. 2 is answered by No. 1.

*FEDERAL RIDINGS, JACQUES CARTIER BRIDGE

Question No. 261—**Mr. Fisher:**

What federal ridings abut or are within two miles of the north and south ends of Jacques Cartier bridge?

[Mr. Speaker.]

Mr. Balcer: Mr. Speaker, the following eight federal electoral districts abut or are within two miles of the north end of the Jacques Cartier bridge; Sainte Marie, Saint Jacques, St. Ann, St. Lawrence-St. George, Cartier, Laurier, Lafontaine, and Hochelaga. As to the south end, there is one electoral district only, Longueuil.

BUTTER IN STORAGE

Question No. 262—**Mr. Matheson:**

1. What volume of butter stocks, or their equivalent in butter oil, was in storage on February 28, 1962?

2. What is the age of the oldest butter now in storage?

3. How many pounds of butter were lost in 1961 through spoilage?

Answer by: **Mr. Hees:**

1. The volume of butter stocks including butter equivalent of butter oil in storage on January 31, 1962, is 190,874,000 pounds. (Information for February 28, 1962, not available).

2. August, 1960.

3. None.

EMPLOYMENT—IMPACT OF AUTOMATION

Question No. 263—**Mr. Herridge:**

Has the Prime Minister received a request in a letter dated March 1st from the British Columbia federation of labour that the government immediately undertake a thorough examination of all aspects of the impact of automation and technical progress on employment; and, if so, what action does the government propose to take, and what was the nature of the reply?

Answer by: **Mr. Diefenbaker:**

Yes, the letter in question was received. A letter of acknowledgement was sent under date of March 12, 1962 in which reference was made to the skilled manpower training research program, which was initiated in 1956 by the federal Department of Labour in co-operation with other interested federal and provincial departments and management and union organizations, and which has already produced several reports on various aspects of this problem.

*MARGARINE PRODUCTION, 1956-61

Question No. 264—**Mr. Boulanger:**

What has been the annual production of margarine for the years 1956 to 1961 inclusive?

Mr. Hees: Mr. Speaker, the annual production of margarine for the years 1956 to 1961 inclusive is:

	lbs.
1956	124,707,000
1957	130,645,000
1958	145,598,000
1959	152,173,000
1960	166,321,000
1961	183,980,000

*GRAIN STORAGE AND HANDLING COMMITTEE

Question No. 265—**Mr. Boulanger:**

How many members are there on the committee organization recently formed to study grain storage and handling facilities, what are their names, whom do they represent, and what part of the country are they from?

Mr. Hees: The interdepartmental committee formed to study grain storage and handling facilities consist of 10 members. These are as follows:

W. D. Porter, (chairman), dominion bureau of statistics; E. E. Baxter, board of grain commissioners, Winnipeg; J. W. Channon, Department of Agriculture; R. M. Esdale, Department of Trade and Commerce; G. G. McLeod, Department of Transport; C. H. Malcolm, national harbours board; M. W. Menzies, Department of Agriculture; E. A. Oestreicher, Department of Finance; W. L. Posthumus, Department of Trade and Commerce; G. M. Schuthe, Department of Trade and Commerce.

All these officials are employed by government departments and agencies in Ottawa, with exception of Mr. Baxter who is located in Winnipeg.

*NATIONAL BUTTER ADVISORY COMMITTEE

Question No. 268—**Mr. Boulanger:**

1. Was a national butter advisory committee instituted; and, if so, when, and how many members are on this committee?
2. What are their names, occupations, and what part of the country are they from?
3. How many meetings were held, on what dates, and is this committee still functioning?

Mr. Charlton: The government of Canada did not appoint a butter advisory committee of Canada. However, in 1960 the government employed a public relations firm to conduct a butter promotional campaign. In the course of its work this firm named a butter advisory committee to assist them in an advisory capacity. This committee consisted of seven members.

The answer to part 2 is:

T. J. Wheeler, Toronto, Ontario, public relations counsellor.

Mrs. W. R. Walton, Jr., Toronto, Ontario, housewife.

Robert C. Smellie, Russell, Manitoba, retired creamery operator.

Dr. E. W. McHenry, Toronto, Ontario, professor of nutrition, school of hygiene, University of Toronto.

Frank E. Lutes, Berry Mills, N.B., dairy farmer.

J. B. Lemoine, Montreal, P.Q., president, L'Union Catholiques des Cultivateurs.

L. W. Pearsall, Ottawa, Ontario, assistant deputy minister, Department of Agriculture.

The answer to part 3 is that six meetings were held on the following dates: October 31, 1960; November 22, 1960; January 5, 1961; January 27, 1961; February 17, 1961; and March 23, 1961. The committee concluded its functions during May, 1961.

MILK PRODUCTION, 1960-1961

Question No. 269—**Mr. Grills:**

What was the production of milk in Canada in each of the provinces in 1960, and in 1961?

Answer by: **Mr. Hees:**

Milk production in Canada by provinces, 1960 and 1961:

	1960 '000 lb.	1961 '000 lb.
Prince Edward Island	225,598	237,088
Nova Scotia	398,190	402,695
New Brunswick	439,810	446,851
Quebec	6,178,848	6,541,248
Ontario	6,264,621	6,506,246
Manitoba	1,127,129	1,128,948
Saskatchewan	1,337,203	1,344,498
Alberta	1,636,137	1,720,390
British Columbia ..	877,887	917,302
Canada	18,485,423	19,245,266

MARITIME SUPERANNUATED CIVIL SERVANTS—REQUEST FOR POLICY CHANGE

Question No. 272—**Mr. Robichaud:**

Has the maritimes federal superannuated civil servants association requested a change in the superannuation policy in order to bring superannuation payments in line with today's cost of living; and, if so, what reply, if any, has been made to this request by the government?

Answer by: **Mr. Fleming (Eglinton):**

Yes. The circular letter was acknowledged and attention drawn to misstatements in the circular.

*RABIES—COMPENSATION TO QUEBEC FARMERS

Question No. 274—**Mr. Martel:**

1. Could the Minister of Agriculture inform the members of this house as to whether or not his department has kept a complete record of all cases of rabies infected animals in the province of Quebec since the inception of the immunization program undertaken by his department to control the spread of this disease which may be dangerous even for human beings?
2. What is the amount of the compensation paid for rabies infected animals slaughtered under the terms of an agreement entered into with the Ontario provincial government, and what proportion thereof was paid by the federal government?
3. Is the federal Department of Agriculture ready to extend to the farmers of Quebec—many of whom have suffered heavy losses due to this terrible disease—and more particularly of the counties of Pontiac-Temiscamingue, Villeneuve, and Chapleau in the northwest of the province, the benefits deriving from such an agreement inasmuch as the provincial authorities will apply therefor and be willing to co-operate with Ottawa in this respect?

Mr. Charlton:

1. The Department of Agriculture has a record of all cases which have been reported to it and where it has been determined by departmental veterinarians that the animal died of rabies.

2. The indemnities paid in Ontario are based on official valuation of the livestock, as related to a maximum of $100 for horses, $250 for cattle and $40 for swine and sheep. The federal government reimburses Ontario for 40 per cent of the indemnity payments made by the province.

3. The present authority for federal participation applies only to Ontario, which is the only province having requested it. I feel sure that should the province of Quebec make a similar request it would be given favourable consideration.

QUESTIONS PASSED AS ORDERS FOR RETURNS

HYDRAULICS DIVISION, WATER RESOURCES BRANCH, NORTHERN AFFAIRS

Question No. 229—**Mr. Herridge:**

1. What are the names, present positions, qualifications, degrees, and experience in the construction or operation of hydro plants, dams, etc., of the officials in the head office in Ottawa of the hydraulics division of the water resources branch of the Department of Northern Affairs and National Resources?

2. Have any of these officials ever been employed in any capacity with a foreign government, or with an agency of a foreign government, or in the water resources field in a foreign land, or with any private corporation at home or abroad; and, if so, what are the names of the officials concerned, and the details of their foreign employment?

*SALARIES AND DUTIES OF MESSENGERS

Question No. 255—**Mr. Fisher:**

1. What is the difference in substance between the duties of a messenger and a confidential messenger?

2. Why is the minimum and maximum rate for a messenger so much lower than that for a confidential messenger?

3. Why is there a higher rate for a messenger who was appointed prior to April 1, 1955?

4. How many people are there employed in Ottawa at this date under the three categories of messenger, messenger appointed prior to April 1, 1955, and confidential messenger?

5. Has any consideration been given recently to rationalizing the salary rates of messengers in the government service in order to achieve equity amongst people doing the same or similar jobs?

*TRADE DELEGATION TO AUSTRALIA AND NEW ZEALAND

Question No. 267—**Mr. Boulanger:**

Has the Department of Trade and Commerce set up a delegation which is to proceed to New Zealand and Australia; and, if so, (a) when, and for what purpose was such a delegation formed (b) how many members comprise the said delegation (c) what are their names, their respective provinces, and what organizations do they represent?

BUSINESS OF THE HOUSE

BANK OF CANADA—REFERENCE OF REPORT TO COMMITTEE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Minister of Finance whether or not it is the intention of the government to refer the annual report of the Bank of Canada for 1961, which I believe has now been tabled, to the standing committee on banking and commerce in order, among other things, that the governor of the Bank of Canada may be present to express his views to the members of that committee.

Hon. Donald M. Fleming (Minister of Finance): I tabled today, with the Clerk of the house, the annual report of the governor of the Bank of Canada for the year 1961. If it is the wish of the standing committee on banking and commerce that that report be referred to the committee, certainly there will be no objection whatever to that course. The governor of the bank will be available, I am informed, after the end of next week to appear before the committee if that is the wish of the committee.

INDUSTRY

SULPHUR CONVERTING CORPORATION, MONTREAL—INTEREST OR INVOLVEMENT OF GOVERNMENT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Prime Minister. I have been a bit disturbed since I read the press this morning. In view of press reports of a rather remarkable luncheon in Quebec city on Saturday which was attended by the Associate Minister of National Defence and the Minister of Defence Production, as well as by 10 Conservative M.P.'s, would the Prime Minister care to inform the house of the government's interest or involvement in the Sulphur Converting Corporation of Montreal?

Right Hon. J. G. Diefenbaker (Prime Minister): I had no knowledge that such a company existed at all. So far as the government and members of it are concerned, they have no interest or involvement, directly or indirectly.

Mr. D. M. Fisher (Port Arthur): I wish to direct a supplementary question to the Minister of Transport. I would like to ask him whether he is engaged in any discussions with the Sulphur Converting Corporation in

Montreal with regard to building branch lines in the province of Quebec for this company.

Hon. Leon Balcer (Minister of Transport): No, Mr. Speaker. What happened is that the officers of this company stopped in my office and told me they intended to get in touch with the C.N.R. to discuss with them the possible building of some branch lines. I have heard that they met with the C.N.R., but the information I got from the C.N.R. is that no decision whatsoever has been taken by that company.

Hon. Lionel Chevrier (Laurier): Arising out of the answer the Prime Minister gave, namely that the first time he knew of the company was when he arrived in Quebec, my question is if that is so, as I take it it is, can the Prime Minister explain how it is that four of his ministers from the province of Quebec knew about it several months ago?

Mr. Diefenbaker: I do not know how the hon. gentleman, knowledgeable as he is, knows what knowledge four ministers of the crown had several months ago. All I can say is that there is no basis for any ascription of knowledge respecting this company to the government.

Mr. Chevrier: I have a supplementary question, but before I put it I would refer the Prime Minister to the article appearing in today's Montreal *Gazette* which contains a statement made by the president of the company, who said he had discussed it with four ministers from the province of Quebec. From that I take it the Prime Minister should have known about it.

Some hon. Members: Order.

Mr. Harkness: I know of several companies which the Prime Minister never heard of.

Mr. Chevrier: Apparently they knew about it, because the president said it had met with the approval of government ministers.

(Translation):

I should like to put a question to the Minister of Transport and ask him whether he has any comment to make as regards the statement of Mr. J. A. Leclerc, president of the Sulphur Converting Corporation of Montreal, to the effect that the project was submitted last fall to four ministers—Mr. Leclerc gives the names of the ministers but I do not think it is necessary to repeat them—and that officials of the Department of Transport and of the national harbours board gave their approval to the project, the last words being in quotation marks?

Mr. Balcer: Mr. Speaker, I can only repeat what I said Saturday, that officials of my department did not in any way give their approval to the project.

[*Later:*]

Mr. Gabriel Roberge (Megantic): Mr. Speaker, in view of the questions which were asked previously, I should like to direct a supplementary question to the Associate Minister of National Defence. Has he asked the management of Sulphur Converting Corporation whether they intend to export part of their output to Ecuador and British Guiana?

Mr. Pigeon: Surely not through the national film board.

(Text):

Mr. Speaker: Is the hon. member asking a supplementary question? I thought the matter had been fairly completely dealt with in the original round.

WEIGHTS AND MEASURES

SUGGESTED CHANGE TO METRIC SYSTEM

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Prime Minister. In view of considerable interest shown by Canadians favouring the adoption by Canada of the metric system of measurement instead of the English system, has the government given any consideration to the proposal, or has the government any intention of doing so?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I would suggest to the hon. gentleman, for whom I have a great respect, that his question be put on the order paper.

Mr. Speaker: I think the matter does not raise any point of urgency and could go on the order paper.

POWER

COLUMBIA RIVER—REQUEST FOR STATEMENT ON LATEST DEVELOPMENTS

On the orders of the day:

Mr. John Drysdale (Burnaby-Richmond): I wish to direct a question to the Minister of Finance. Can he report to the house on any recent correspondence with Premier Bennett concerning the Columbia river?

Hon. Donald M. Fleming (Minister of Finance): On Friday last, March 9, I wrote a letter to Premier Bennett which I shall be

glad to table. It is quite short, and perhaps I might read it for the information of hon. members. It reads:

My dear Premier:

I understand that you plan to be in Ottawa on Monday, March 19, to attend the dominion-provincial conference on the federal proposals in regard to a national power grid.

If so, I should welcome an oportunity to resume our discussions on the financial aspects of the Columbia river power development. Could you arrange to arrive in Ottawa so that we might meet in advance of the dominion-provincial conference?

Yours sincerely,

I noticed in Saturday's press, Mr. Speaker, that Premier Bennett had made a statement some time on Friday indicating that he had applied to Ottawa for permission to start what is called immediate construction of the three dams envisaged in the Columbia river treaty. I do not know whether any such application has reached the office of the appropriate department in Ottawa. I only learned of this on reading the press report on Saturday.

Mr. Speaker: Order. I would point out to the minister that he has no right to volunteer any information of that kind except on motions. It is not an answer to the question.

[*Later:*]

Mr. John Drysdale (Burnaby-Richmond): Mr. Speaker, I should like to direct a question to the Minister of Finance. Could the minister report whether any applications have been received from the province of British Columbia concerning the construction of dams on the Columbia river, and would the minister comment on press reports in this connection?

Mr. Fleming (Eglinton): Mr. Speaker, I am not aware of the receipt of any such application. It might conceivably have gone to the Department of Public Works, but I have not been made aware of that fact, if it be a fact.

FINANCE

EXCHANGE FUND—ACTION TO SUPPORT CANADIAN DOLLAR

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I wish to direct a question to the Minister of Finance. In view of the substantial decrease in U.S. dollars in the exchange fund, amounting to $175 million in February, and I infer that if you add January it is $309 million consecutively, is it now the intention of the government to support the value of the Canadian dollar and avoid further devaluation?

Hon. Donald M. Fleming (Minister of Finance): The government will continue to follow the very beneficial policy in this regard which it has been following.

[Mr. Fleming (Eglinton).]

Mr. Benidickson: May I ask a supplementary question. Is it now to be taken as the policy of the government that it will encourage borrowings in the United States in order to prevent further declines in the holdings of United States dollars?

Mr. Fleming (Eglinton): No, Mr. Speaker. The government does not encourage borrowings in the United States. If the hon. member will read the budget speeches of June last and December 20, 1960, he will find clearly set forth the policy of the government, and there has been no departure from that policy.

[*Later:*]

Mr. Benidickson: Mr. Speaker, I should like to direct another question to the Minister of Finance, having been referred to his last budget speech—

Mr. Fleming (Eglinton): The last two.

Mr. Benidickson: Is the manipulation of the exchange fund, in order to prevent devaluation of the Canadian dollar, not to be regarded as a change in the policy announced in the last budget?

Mr. Fleming (Eglinton): It certainly would be a departure from the policy of the government as announced in the last budget speech, if it ever occurred. But it has not occurred; there has been no manipulation. The hon. member is deliberately using an opprobrious and most inaccurate term.

SPORTS

CURLING—WINNING OF CHAMPIONSHIP BY SASKATCHEWAN RINK

On the orders of the day:

Mr. K. H. More (Regina City): I wish to direct a question to the Minister of National Health and Welfare in his capacity as the minister to whom the national advisory council on sport reports, and as the minister by whom the act is administered. I should like to lay a short basis for my question.

On Saturday morning at Kitchener the Richardson rink of Saskatchewan won the Canadian curling championship. Other skips such as Matt Baldwin of Edmonton and Ken Watson of Winnipeg have skipped rinks that won the championship three times, but this is the first time in history that a rink with the same personnel has won the championship three times, and twice before won the Scottish cup. They leave today for Scotland to compete again for the world championship, and I am sure the minister and other hon. members will join with me in wishing them the very best of luck. My question is this. Is the

minister aware of these benefits to young Canadians, and will he advise the national advisory council of them?

Hon. J. W. Monteith (Minister of National Health and Welfare): I would be delighted, and I would like to congratulate the Regina rink on this latest achievement.

(Translation):

HARBOURS

GROS-CACOUNA, QUE.—INSTALLATION OF PORT FACILITIES

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Minister of Transport. Does the minister or the government intend to announce the implementation of a port facilities project at Gros-Cacouna, as requested by the whole area, including the northern part of New Brunswick, and as recommended by Dr. Camu in his study entitled: "Transportation Problems in the Lower St. Lawrence Area"?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, that question should be directed to the Minister of Public Works. I should like to say, however, that this government, through the public works department, is now making engineering surveys, that a reduced scale model is being built at the federal research centre, and that those engineering studies are proceeding in a very satisfactory way.

Mr. Chevrier: Is not the minister of the same opinion as the delegation which came to Ottawa today, that the time is now ripe for works rather than studies?

Mr. Balcer: Mr. Speaker, I am glad the hon. member asked me that question, thus allowing me to remind the house of all this government has achieved in these last four years, contrary to what was done by our predecessors, especially in the province of Quebec. Once again, I thank the hon. member for Laurier for giving me the opportunity of paying a tribute to this government.

(Text):

LABOUR CONDITIONS

NEWFOUNDLAND—REQUEST FOR REPORT ON MEETING WITH DELEGATION

On the orders of the day:

Mr. J. A. McGrath (St. John's East): Mr. Speaker, I should like to put a question to the Minister of Mines and Technical Surveys. Is the minister now in a position to report to the house on a meeting he and some of his colleagues had this morning with a delegation representing the citizens of Bell island?

Hon. Jacques Flynn (Minister of Mines and Technical Surveys): Mr. Speaker, after having met the Prime Minister and presenting him with a petition, a delegation from Bell island later met with my colleagues the Solicitor General, the Minister of Labour and myself, and for two hours we discussed the serious consequences that would flow from the lay-off of 700 men at the Wabana mines and the ways and means of averting it. My colleagues and I shall report to cabinet for whatever action shall be deemed appropriate at this time.

CIVIL DEFENCE

REPORTED REPEATERS IN SURVIVAL TRAINING COURSES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I would like to ask the Minister of National Defence if he has noted the report in the *Globe and Mail* of March 10 under the heading "Survival training course repeaters have the army in a tizzy". If so, can the minister comment on the statement that the special militia training program is now finding a great many repeaters in the courses because there is no other place they can go in order to obtain employment or security?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I have not seen the article in question, but I can say in regard to the statements which have just been made by the hon. member that a very limited number of people have been discovered taking the course for the second time. In nearly all cases the reason they gave for this was that they enjoyed the first course so much that they wanted to get in on the second one. I think that is the explanation, in most cases at least, of the really quite limited number of people who have enlisted under a different name or in a different locality and have thus taken the course twice.

INDIAN AFFAIRS

NANAIMO, B.C.—RESOLUTION RESPECTING GRANTING OF TIMBER LICENCE

On the orders of the day:

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, I should like to direct a question to the Prime Minister, of which I sent him notice earlier. Has the Prime Minister received a letter from Rev. Peter Kelly of Nanaimo mission, British Columbia, enclosing a copy of a resolution of the band members of Tsimpsean Indian reserve No. 2 respecting a timber licence bid won by Shorline Lumber Ltd. of Vancouver.

Inquiries of the Ministry

Right Hon. J. G. Diefenbaker (Prime Minister): Yes, Mr. Speaker, and I think it only proper that the Minister of Citizenship and Immigration have the opportunity of saying something in reply to this question, either today or later this week.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, with reference to this particular matter, after the award was made there were some objections to the award and some misunderstanding with reference to just what had been covered in the tender call. In order to avoid any misunderstandings I have given instructions that the commissioner for British Columbia will visit the Tsimpsean reserve tomorrow, at which time we expect that the Indians will have an opportunity to consult with him and he will be able to explain to them the terms of the tender. If any further action is required, the matter will be carefully considered by the department.

Miss LaMarsh: I have a supplementary question, Mr. Speaker. Is the minister prepared to comment on the statement contained in the resolution to this effect:

> We feel that some members of the department of indian affairs are definitely not acting in the best interests of the members of this band and this council now unanimously agrees not to accept any such offer.

Mrs. Fairclough: No, Mr. Speaker, I cannot accept any such statement. The officials of my department always act in the manner which they think is for the good of the Indian bands and the Indians themselves. If there were any question at all with respect to this contract it would have been referred to me. I must say that I did not hear about it until after the award had been made, and as soon as I heard there were differences of opinion I immediately asked for an investigation. But I can assure the hon. member that nothing will be done which will militate against any advantage to the Indians themselves.

Miss LaMarsh: A further supplementary question—

Mr. Speaker: The hon. member for Vancouver East.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, could I ask a further supplementary question. Can the minister state whether the information is correct—as we also have been in receipt of telegrams—that the two bids were on entirely different bases and that one firm put in a tender for 8,000 more acres of timber than was actually being sold by the minister's department? Is that correct?

[Miss LaMarsh.]

Mrs. Fairclough: In general terms that is correct; there was one tender submitted which bore a very marked difference to the tender call. I might say that if any members of parliament are interested in examining these tenders, I invite them now to visit the department and have a look at the two tenders.

Miss LaMarsh: Mr. Speaker, in the light of what the minister has just said, is the minister prepared to table the letter, the resolution and the accepted bid referred to?

Mrs. Fairclough: I shall take that matter into consideration.

(Translation):

FLAGS OF CANADA

INQUIRY AS TO RECEIPT OF MODEL DESIGNS

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, in the absence of the Secretary of State (Mr. Dorion), I should like to put a question to the Minister of Transport (Mr. Balcer), so that he may relay it to him. I should like to know if the Secretary of State has received models of the two flags proposed by the Leader of the Opposition as well as the six flags proposed by the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

(Text):

Mr. Speaker: Order. I am not sure that the hon. member is putting his question seriously, but it seems to me it is not one which is readily dealt with on the orders of the day.

Mr. Pearson: He is not a serious member.

CITIZENSHIP AND IMMIGRATION

REPORTED RESIGNATION OF SENIOR OFFICIALS

On the orders of the day:

Mr. Egan Chambers (St. Lawrence-St. George): Mr. Speaker, I have a question for the Minister of Citizenship and Immigration. In view of the implications in a story published last Saturday by a Montreal French language newspaper, would the minister confirm that four senior officials of her department have recently resigned, and that one of them had been under suspension since last October.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I saw the story in the newspaper and I expected there would be a question on this matter. I would like to say now that the story was entirely inaccurate in its reference to our district superintendents Grant and Bird, who are in charge of our Atlantic and Pacific districts respectively. These officers are already past 65 years of age, which is

the normal age of retirement, and are completing their one year's extension before taking their retirement in the normal way.

Mr. McFarlane, our central district superintendent in Toronto, has not yet reached normal retirement age but does so at the end of 1962. He has not resigned, and I have no information to indicate that he will not continue in the service until his normal retirement age is reached.

Mr. McFaul, who was formerly our eastern district superintendent in Montreal, submitted his resignation more than a month ago, to take effect on February 1, 1962. At the time of submitting his resignation Mr. McFaul had been under suspension since last October for a personal transaction which the department did not consider proper for a civil servant in his position. The department took into account, in accepting Mr. McFaul's resignation, his 33 years of service with the government.

EDUCATION

SUGGESTED CONSIDERATION OF FEDERAL AID

On the orders of the day:

Mr. M. W. Martin (Timmins): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the practically unanimous agreement reached at last week's Canadian conference on education that federal aid to education has become an absolute necessity, is the government prepared to invite the provinces to actively explore, with the federal government, ways and means whereby federal aid to education can become a reality while at the same time not violating the intent of the British North America Act, whereby control of education is assigned to the provincial level of government?

Mr. Speaker: Order. I suggest that the hon. member has the subject matter here for a two day debate. If he expects to be answered on the orders of the day I do not share his optimism. Perhaps this question would be more appropriately brought up on the estimates, or at some time when it could be discussed.

BUSINESS OF THE HOUSE

INQUIRY AS TO EASTER RECESS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): In view of the necessity of hon. members of this house making transportation arrangements well in advance, could the Prime Minister give us some indication of the date of the Easter recess?

Right Hon. J. G. Diefenbaker (Prime Minister): I appreciate that the hon. gentleman is most anxious to find out when he may again have a vacation in Mexico, but I cannot give him any assistance.

IMMIGRATION

REPORTED CRITICISM OF NEW REGULATIONS

On the orders of the day:

Mr. Arnold Peters (Timiskaming): I should like to address a question to the Minister of Citizenship and Immigration. In view of the charge made on Saturday by labour leader Charles H. Millard, as reported in the *Globe and Mail* that the new immigration rules made Canada a poacher of human resources—

Mr. Speaker: Order. If the hon. member has a question to ask based on the regulations which were promulgated some weeks ago and wishes to present opinions about those regulations, he could find an opportunity to do so in debate and should not try to introduce the matter now.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF BRANCH LINE BETWEEN MATANE AND STE. ANNE DES MONTS, QUE.

The house resumed, from Friday, March 9, consideration of the motion of Mr. Balcer for third reading of Bill No. C-67, to authorize the construction and operation on behalf of Her Majesty of a line of railway in the province of Quebec between Matane and Ste. Anne des Monts.

Mr. Erhart Regier (Burnaby-Coquitlam): In discussing this bill further on third reading, may I say I believe it is obvious that it is the intention of the government to make a grant in regard to construction of this proposed branch railway line, at least to the extent of the capital costs involved, and that it is the plan of the government to engage in the amortization of those capital costs. In addition, it is also obvious that the government fully understands and, indeed, expects to have to dip into the consolidated revenue fund of the nation for many years to come in order to make the operation of this proposed railway service possible.

I noticed that the minister, in what I considered a very weak defence of the government's position attempted to compare this branch line with the ferry service operated by such boats as the *William Carson*. To me these are two completely unrelated propositions. On the one hand we have established at public expense and, possibly, even at public subsidy, a ferry service connecting important areas of our Canadian nation. This has no resemblance whatever

to the building of a 57 mile long branch railway line in one of the oldest areas of settlement in our nation.

The minister also made a very weak effort to compare this branch railway line with the building of the Hudson Bay Railway. That is almost too fantastic to deserve comment. I am sure the minister must be deeply aware of the fact that at the present time the Hudson Bay Railway happens to serve an important national defence need. In addition, that railway was built for the purpose of establishing an outlet to the sea for a fairly large number of Canadian people. It cannot be compared with a railway branch line which, at best, can hope to serve only 100,000 people.

Mr. Churchill: On a point of order, the hon. member is engaging in a debate on third reading, and according to the rules the discussion on third readings is restricted. The subject matter of the discourse should be confined to the contents of the bill, as is clearly pointed out in May's sixteenth edition on page 578 where the words appear "As the debate on the third reading should be confined to the contents of the bill..." and so on. The hon. member is going far afield, making comparisons with other railway lines.

Mr. Speaker: I did not stop the hon. member because I thought he was replying to a speech made by the minister on third reading, but perhaps I am mistaken in that.

Mr. Churchill: There was no speech.

Mr. Speaker: If I was mistaken, it would be out of order to go beyond the scope of the bill, because the minister has no right to reply in a debate of this kind. When the measure has gone through the committee stage and been reported for third reading, it is only what the committee has reported that is before the house. Really, debates on third reading should be kept strictly on the line because of the disability which is attached to replying.

Mr. Regier: I shall do my utmost to observe the intent of your remarks, Mr. Speaker, which I appreciate very deeply. However, I do believe that the minister has the right to speak on this bill on third reading on the basis of his earlier expressions—

Mr. Speaker: In view of what the hon. member has said, perhaps I should say that only by leave of the house can the minister speak on third reading, because he moved the third reading, which counts as a speech.

Mr. Regier: In that case I have to apologize to the house. I had assumed that the minister could reply. I can assure him on behalf of this group that we would be happy to give unanimous consent should the minister wish to wind up this debate on third reading.

However, I must deeply disagree with the findings of the committee of this house in regard to this bill, because this bill asks for $14 million of the taxpayers' money now and for an unknown amount of money in the future. This represents a sum of between $140 and $200 for every man, woman and child living in this particular area of Canada. I would much prefer to see the government make a gift to each of the families there; for a family of five this would mean a grant in cash of anywhere from $700 to $1000. I would rather have the government do this than build a railway which we know ahead of time is going to be uneconomic, that for the people of this area will serve no useful purpose that has yet been proved, and that in the years to come will mean an additional burden to the Canadian taxpayer. This is a very serious matter.

Mr. Speaker: Order. The hon. member on my right who is interrupting will have an opportunity to speak if he wishes.

Mr. Regier: This is a serious matter indeed. We are asked to pay out $14 million of the taxpayer's money at this time and untold amounts in the years to come. This amount of money would build 140 new hundred thousand dollar industries in that community. I ask the sponsors of this bill whether this approach would not be more useful to the people in the area and receive a more favourable response. This bill represents no solution to our transportation problems. Canadian history is littered with examples of political consideration having taken precedence over national interests in the field of transportation. This is the most barefaced case of its kind in the annals of Canadian transportation development.

I believe the committee ought to have given more consideration to the offer of the truckers of the province of Quebec, to the effect that if the transportation costs that now prevail are a handicap to the people there they would be prepared to reduce their rates if the government would grant a subsidy to make a rate reduction possible. I believe this would be much less costly to the taxpayers of Canada than the proposed extension.

The interest alone on $14 million at even a 5 per cent rate—and in recent years this government has occasionally had to pay a higher rate on its borrowings—runs to $700,000 per annum; in other words $7 for every man, woman and child living in the area to be served. I am convinced they would rather receive $7 worth of aid in cash or in some other form.

I notice with regret that it was reported in the committee that the C.N.R. is only going to be the agent of the government. Neither the C.N.R. nor C.P.R. would touch the project with a ten foot pole. I ask the government who is demanding this railway? Only this morning as I entered the building I spoke to a large number of men from the Riviere du Loup area who were marching on parliament hill with placards. These are business and professional men and workers from other occupations who are requesting assistance in the field of transportation for the people residing south of the St. Lawrence river. I do not know all the facts involved, but their proposal appears to have more merit than the proposal now before us.

Mr. Speaker: Order. The hon. member is discussing a proposal now, I take it, that is not contained in the bill before us.

Mr. Regier: I hope when the government spokesman speaks at the conclusion of the debate on third reading we will be advised whether a certain Mr. Jules Brillant has expressed any opinions or made any representations with regard to the proposed branch line. I ask the government to reply to us before we give third reading to the bill. I wish to be informed whether the Sulphur Converting Company of Montreal has any ore bodies of any significance in the area that is intended to be served by the proposed railway line.

Before resuming my seat I wish to pay tribute to the integrity of the hon. member for Port Arthur, who is unwilling to remain silent while witnessing this government preparing to expend $7 million plus on an uneconomic project merely for the purpose of re-electing one member to the House of Commons. I feel this will go down in the annals—

Mr. Churchill: Mr. Speaker, on a point of order, I have already asked Your Honour's opinion with regard to the restriction of debate on third reading. The hon. member is now going very far afield in making allegations and false accusations with respect to the motives of hon. members on this side of the house.

Mr. Regier: Mr. Speaker, I believe you will agree that on third reading, in a final effort to block what I consider to be a most irresponsible measure of this government, I have every right to express my opinion as to what I think are the motives behind the bill. However, without further ado I move, seconded by the hon. member for Timmins (Mr. Martin):

That Bill No. C-67 be not now read the third time but that it be read this day six months hence.

(Translation):

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I have no intention of repeating what I said at the resolution stage about the bill now before the house.

As I said at that time, we are in favour of the act to authorize the construction and operation, on behalf of Her Majesty of a line of railway in the province of Quebec between Matane and Ste. Anne des Monts.

Over the week end, I tried to remember if similar projects had been discussed under the previous administration, where a crown corporation such as this one, the government owned railways, had decided to build a development railroad.

I know that we have built about ten railroads when we were on the other side of the house. The project which may be not similar but comparable to the one under consideration is the one for which the government had agreed to pay a subsidy for the extension of the Pacific Great Eastern Railway. Of course, circumstances are not the same since that railroad belonged to the province. However, there is a parallel in this that both railroads were intended to serve inland mining developments. That part of British Columbia produces all kinds of minerals: iron, copper, zinc, gold and silver. Moreover the provincial government intended to extend the railroad by stages.

I do not know what the intentions of the present government are with respect to the line under discussion. Once it is built up to Ste. Anne des Monts, perhaps the government will decide to extend it to the copper mine in Murdochville or the mine owned by Federal Metal Corporation. These are matters, obviously, which the minister himself ought to decide.

I got up not only to repeat what I have said before and to indicate what attitude the opposition would take, but to point out that, in this as in so many other things, the government is proceeding without any general plan. The government has no general policy for the development of that region.

The whole lower St. Lawrence region and the adjacent areas such as northern New Brunswick are isolated from the home market because of an inadequate transportation system. Until a general plan, designed to bring a satisfactory solution to this problem, has been applied, that vast region will be in difficulties and have a limited economic development.

It is precisely that basic point which I wanted to stress in my former speech on this measure, when quoting the conclusions and recommendations Dr. Camu had made in his report.

Indeed, it is easy to realize that the government refuses to see the situation as it is and to cope with it, if we consider the discontent which exists today, particularly in Riviere du Loup and the surrounding district.

The delegation which has called on parliament today is another obvious expression of that discontent. In this respect, I trust that hon. members will be very much interested to hear the views of the hon. member for Riviere du Loup-Temiscouata (Mr. Frechette). It is, indeed, interesting to find that several Conservative members from the province of Quebec took part in this debate and rose to make speeches, while the hon. member for Riviere du Loup-Temiscouata remained silent.

(Text):

Mr. Speaker: Order. I wonder whether the hon. member for Laurier is not going beyond the bill. I am not sure there is any connection—perhaps he can inform me if there is—between what he is discussing now and the proposal to authorize the financing of this branch line.

(Translation):

Mr. Chevrier: Well, all I wanted to point out, Mr. Speaker, was that the government had no over-all plan for the transport system in the lower St. Lawrence area, and, as you called me to order, because I mentioned the delegation which came to parliament today, I shall comply with your decision and go on with my remarks.

Mr. Balcer: Would the hon. member allow me a question?

Mr. Chevrier: Yes, certainly.

Mr. Balcer: Would the hon. member for Laurier (Mr. Chevrier) tell me when, during all the years he was minister of transport, he took some interest in the problem of Gros Cacouna, and whether he had any plans prepared for endowing the Riviere du Loup district, with a year-round sea port—

Mr. Pigeon: Never.

Mr. Balcer: —and would he also give me a few instances of what he possibly did in that respect?

Mr. Chevrier: Yes. I thank the Minister of Transport for having asked me this question, for I am ready to give the answer and, in my comments, I was just coming to that point.

Yes, when we were in power, Mr. Speaker, we took a very special interest in the development of this area. It is under our government for instance that the Mont Joli airport was constructed—

Mr. Balcer: You are not answering my question.

Mr. Chevrier: —that the airport was constructed and developed. You have put the question, let me answer it.

Mr. Balcer: Tell us about Gros Cacouna.

(Text):

Mr. Speaker: Order.

Mr. Regier: On a point of order, Mr. Speaker, when I spoke I was prevented by the rules of the house from discussing alternative transportation remedies for the area in question, and I believe that the debate now taking place is also out of order.

Mr. Chevrier: May I speak on the point of order?

Mr. Speaker: I will hear the hon. member on the point of order.

Mr. Chevrier: Mr. Speaker, I was asked a question by the minister, I was proceeding to reply and I am being interrupted, first by the minister who asked the question and then by the hon. member who raised the point of order. The point of order raised by the hon. member was well taken, but having been asked the question by the minister I think I should at least be given the opportunity to reply.

Mr. Balcer: On the same point of order, Mr. Speaker, the hon. member for Laurier is requesting the privilege of answering my question, but so far instead of answering the question I asked he has been talking about the airport at Mont Joli—

Mr. Chevrier: You did not give me a chance to finish.

Mr. Balcer: —and it was precisely his government that killed the airport at Mont Joli.

Mr. Speaker: Order. Before the hon. member for Laurier proceeds, I might say that he has the floor and will be entitled to proceed, but I think it is only fair to say that I have every sympathy with the hon. member for Burnaby-Coquitlam, who was called to order for straying from the contents of the bill. Therefore I think it is only proper to say that the fact that the minister invites wider

discussion than the bill permits does not open the door to that discussion, so perhaps we have traced it all back to the minister's question and come back now to the bill itself.

Mr. Chevrier: I take it then, Mr. Speaker, that having been asked a question by the minister and having proceeded to reply in part—I had not completed the answer—and having been interrupted by the minister, I am not going to be allowed now to complete what I intended to put on the record?

Mr. Speaker: The point having been taken, I think the hon. member for Laurier should return to the bill.

(Translation):

Mr. Chevrier: I accept your ruling, as I always do, Mr. Speaker.

In the circumstances, I believe I should get back to what I was saying before in respect to an over-all plan. This is what I intended to deal with.

As far as the Liberal party is concerned, we have brought forward many times an over-all policy to assist the depressed areas. The Leader of the Opposition (Mr. Pearson) has set forth this policy in ten points; and they attempted to laugh at us.

Anyway, upon our return to power, we shall discuss the actual carrying out of this over-all policy with the provinces and the areas concerned. We feel certain that, as a result of this decision, we shall be able to carry out a whole series of over-all plans on a regional basis. I am satisfied that one of the first to be carried out will benefit the lower St. Lawrence valley.

Once again, Mr. Speaker, the official opposition is in favour of this project but regrets that the government has not finally decided to approach the problem of transportation on the lower St. Lawrence with a comprehensive plan. The Liberal party undertakes to do it immediately after the next election.

(Text):

Mr. J. R. Keays (Iles-de-la-Madeleine): Mr. Speaker, in moving his amendment the hon. member for Burnaby-Coquitlam made it quite clear and plain to the house that he did not know all the facts involved. Truer words were never spoken, Mr. Speaker. If he is so interested in the development of that part of the country, I suggest to him that rather than taking a trip abroad he would have been better advised to have gone to that region; because, with the mind of an economist that he is supposed to possess, I am sure he would have come back with different ideas.

He has referred to the unknown amounts of money which this railway may cost the government in the future.

In view of the hon. member's economic assessment, I am less perturbed than ever that very soon this railway will be paying for itself. He suggested we should give to the people of that region, not the opportunity of earning their living and participating in the national economy, but rather that we should give gifts to these people who have been forgotten for 427 years, just as we did to the Indians, to try to keep the peace. Well, Mr. Speaker, the people of the Gaspe peninsula will not accept gifts. They only want a means by which they can participate in the national economy and earn a just and honest living.

I have heard the hon. member for Peterborough trying to find a solution to this problem by suggesting the establishment of a development fund. The trouble in this area has always been that there have been no exits from it, so it was too expensive for people to transport their products to the Canadian or United States markets. What is the purpose of establishing a fund if no one can use it, if no one can partake of it? After hearing these two members of the N.D.P., I am sure that if they intend to use these arguments to try to solve the problems of this country they are in for a lot of headaches. The interest which we attach to this bill is not a political one but one of national interest.

May I be allowed, Mr. Speaker, to say a few words only concerning the views expressed by both the hon. member for Burnaby-Coquitlam and the hon. member for Laurier in respect to Cacouna. Cacouna is about 100 miles from where this railway will start, that is about 100 miles from Matane. I am sure that any solution of the problem of Cacouna is not going to solve the problem of Matane or of the lower region of the Gaspe peninsula. Moreover, may I remind hon. members that although I am certainly hopeful something can be done for these people, a project is being developed near Riviere du Loup, which is about ten miles from Cacouna.

Before I commence speaking on the amendment, perhaps I should read a few words uttered by the Minister of Transport in the committee:

> Among those familiar with the economy of the lower St. Lawrence region there is general agreement that the lack of railway facilities in the peninsula has so far been an obstacle to development of an area that has traditionally been deprived of ready access for markets. The economic future of the lower St. Lawrence region and more specifically of the Gaspe peninsula is, therefore, directly related to the improvement in its means of transportation. The government appreciates this problem and has decided to do something towards its solution.

Canadian National Railways

Farther along in the same report the minister stated:

> Mr. Chairman, I will now give you a brief résumé of the wider economic assets of the Gaspe north shore area since I feel that, in the long run, it is on the abundance of these assets rather than on the immediately available tonnages of freight waiting to be shipped that the success of this development will ultimately hinge.

Farther along in the same proceedings the hon. member for Peace River is reported as saying:

> Mr. Chairman, possibly I might ask this question of Mr. Scott. Leaving out the economics of the situation vis-à-vis the railway itself, as a result of your examination of the situation, as a result of your discussions and conversations with the corporations in this area, and as a result of your economic evaluation, do you feel that the construction of this railway will, over the years, appreciably add to the gross national product?
>
> Mr. Scott: Yes. Mr. Fisher says, and quite rightly, that the tonnage figures I gave him are quite small; but you must bear in mind that these tonnage figures do not include one ton of ore, concentrates, or anything of that nature, because we feel that is something that must develop after the railway. While we realize they are there, and hope they will soon be developed—and the quicker the better for the operation of the railway—yet the basic traffic is predicated on what we think is realizable now.

The lack of economic development, Mr. Speaker, is not peculiar to this one region about which we are speaking. There is not one province, Mr. Speaker, that does not have a region which is lacking in economic development. I am happy to see this bill reach third reading stage. It would, moreover, be a serious error to arrest the progress of this measure now and, therefore, arrest the steps being taken to put this project into being and accelerate the economic development of this area by linking the area of Mont Louis and Murdochville to Ste. Anne des Monts. This would give the area access to the industrial centres of Canada and the United States.

Railways have often been built on the basis of hypothetical developments rather than actual developments. I could cite the case of the Baraute railway in 1956, Mr. Speaker, in the Abitibi district. However, at that time it was not found appropriate to proceed with the Gaspe railway. Was it because the government of the day did not have faith in this sector of the country? I will not attempt to answer that question.

The royal commission on transportation do refer to the building of new railway lines. They say:

> This is not to say that parliament should not, under certain circumstances, authorize construction of lines for development purposes when the immediate revenue cannot be expected to meet all costs. Under these circumstances, the government should be prepared to meet the deficit from public funds and not place the burden on other shippers.

> We have earlier recommended that the burden of existing uneconomic lines be removed from the shippers.

Moreover, this same commission recommends that we should look at other methods of transportation, such as road and air. The economy of Gaspe peninsula is based on three things, Mr. Speaker, fishing, farming and mining. I am sure no one has ever considered moving the products of these three industries by air from that area. In so far as highways are concerned, it is a well known fact that certain high revenue products can be moved cheaper by truck than by rail. However, when you consider the products of these three primary industries in the Gaspe peninsula, I am sure you will concede it would be uneconomic to move them by road. To sum up, therefore, it would seem that the government should take responsibility for the development of this project.

On Friday last the hon. member for Port Arthur, who I hope will not engage in too much solipsism, did not seem to concede that others may have a fair idea of the economy of these regions. In his speech he stated that neither the hon. member for Gaspe nor the hon. member Matapedia-Matane was worth $7 million each. The expenditures for economic development are not based on one human value but on a large population's desire to contribute further to national development and enhance further their own economic and social welfare. As I said before, Gaspe is not asking for handouts. It simply requests an opportunity to share in the national wealth and acquire the facilities to realize a higher standard by the labours of its people.

I could go on further and refer to the speech made by the hon. member for Port Arthur. I would ask him to take his pencil and do a little figuring. When he speaks of 50,000 cords of pulpwood I am sure he will believe that this would amount to approximately 75,000 tons. When we speak of 85 million feet of lumber I am sure he will realize this would add up to 127,000 tons. When we speak of wood chips that could be shipped out of the area, I am sure he will realize this would amount to 35,000 tons.

Recently, in fact over the week end, I met a local lumberman from the area who had just received an order for 120 carloads of laths. It is true that at the moment there is a tremendous demand for laths, but a year from now if it is not laths it will be some other by-product of the forests. These 120 carloads, added to the remaining tonnage, would give roughly 250,000 tons of outgoing freight from forest products alone. Added to this would be 65,000 to 75,000 tons moving into the area. When I think of the revenue from this, and when I think of the original

investment of $14 million, based not on 7 per cent as the economic adviser of the N.D.P. wishes to suggest but based on a price of 3.5 per cent, then I am sure the forest products alone could justify the expenditure of this capital amount.

The hon. member for Port Arthur referred to the crown lands, and I think a correction should be made as it is possible that he misunderstood the statement made in the committee. The crown lands of the Gaspe peninsula on the south side of the peninsula, where there is already a railroad are available to all operators. I should say that on the north side of the peninsula the crown lands are there for the use of the lumbermen in the area, and on the south shore most of the land is taken up by large operators and the pulp and paper industry. Therefore there is no problem whatsoever in assuring hon. members of this house that the timber limits are available there to those who wish to use them.

I shall now deal with some of the reasons why shipments of lumber should not all go by water. Not too many regions of Canada and the United States enjoy a water frontage, and although a certain amount of the lumber from the peninsula goes to Montreal, there are in fact only two lumber buyers in that city who can use water facilities so that they may deposit this wood in their yards. Otherwise the lumber must be disembarked from ships and trucked to yards in the interior of the island of Montreal. A large quantity of the lumber produced in this area goes to the United States market but unfortunately there, as well as in the Montreal market, it is impossible to compete favourably with other sections of the country, especially when one realizes that to ship 1,000 feet of lumber from Ste. Anne des Monts to Matane requires an initial cost of roughly $5. That is why these people cannot put their product on the market at competitive prices; it is because of this additional $5 freight charge.

Therefore, Mr. Speaker, I hope the hon. member for Port Arthur now understands clearly why there has to be other means of transportation than by water for the movement of these forestry products.

I now wish to speak about the mining development of the Gaspe peninsula. For years—

Mr. Speaker: Before the hon. member goes on with what he suggests is his next topic I should remind him that there is nothing in this bill about the mining development of the Gaspe. This bill simply permits the payment of certain sums of money for the construction of a railway by the agency of the Canadian National Railways. We are not concerned with the purposes of the railway at the moment. We are concerned with whether we should pass third reading of the bill which approves the voting of the money.

Mr. Keays: I was about to speak about the mining possibilities as well as the actual operation of mining in the area, in order to amplify the reasons for the railroad being built and to justify the expenditure of $14 million in this area.

Mr. Speaker: What the hon. member has in mind would have been relevant on the resolution and second reading, but I suggest to him that at this stage when the principle of the bill has been approved, nothing remains but to read the bill a third time, which is to confirm it in the form in which it came out of the committee. It is not relevant to go back to the whole substructure or substratum on which the bill rests.

Mr. Keays: May I be allowed to correct the statement made in this house on Friday concerning lack of co-operation between the provincial government and the federal government on this railroad?

Mr. Speaker: If the statement referred to by the hon. member was made on third reading he would be in order in dealing with it, but if he goes back to statements made in committee he might or might not be in order.

(Translation):

Mr. Keays: Mr. Speaker, the hon. member for Port Arthur asked the other day if the provincial authorities had been consulted. Let me say that my colleague from Gaspe (Mr. English) has always worked in close co-operation with the provincial member for Gaspe North, because both share the same desire, namely that of helping the Gaspe peninsula and making sure that its northern part is properly developed.

Thus, the Gaspe park has always been closed to mining exploration; now the provincial government intends to grant claims to 32 miles of that territory for mining exploration.

For the benefit of the hon. member for Port Arthur, I wish to read a telegram addressed to the hon. member for Gaspe by Mr. Claude Jourdain. I quote:

Sincere congratulations for decision by federal authorities to build railway Ste. Anne des Monts-Matane stop Carrying out this project immediately is essential and absolutely necessary to the economic and industrial development of the region stop Foresee gigantic mining development in Gaspe park starting this spring stop Agreements re immediate mining surveys will be concluded as soon as Bill C-67 is adopted by Canadian parliament stop Am convinced economic possibilities in near future of that project stop Economic expansion of region depends on it stop Can count on my entire support and am at your disposal for any necessary or useful representations to provincial authorities.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, it is unfortunate that this amendment should be introduced by a group of opposition members, with a view to delaying the building of a railway which might bring about an extraordinary economic expansion in a part of our country, and more particularly in a part of the province of Quebec. In fact, that railway has been asked for, for about a century, as was pointed out the other day by the hon. member for Gaspe (Mr. English), when he quoted an article from *La Minerve*, dating back to around 1881.

If, after confederation, we had adopted such a rigid attitude about railway building as we do today in regard to the building of this railway in the Gaspe peninsula, I doubt very much whether railways would have been built in other areas of this country.

The province of Quebec is in need of heavy industry. The lack of railways in the province is said to be one of the main reasons for this scarcity of heavy industry.

According to a bulletin of the Montreal chamber of commerce, although the province of Quebec accounts for 30 per cent of Canada's population, it accounts for only 11 per cent of Canada's railways.

The hon. member for Laurier (Mr. Chevrier) was talking about an over-all plan, and was saying that if ever his party came back to power, he would implement it. I wonder how it is that, having been minister of transport for so long, having received so many delegations from associations and county councils, he never did implement the logical representations made to him, at the time, for the building of that railway.

I am convinced that if that railway had been built 10, 15 or 20 years ago, the Gaspe peninsula would now know an unprecedented industrial, economic mining and forest development.

Mr. Speaker, it is very unfortunate that the members of the new party should have so little confidence in the economic future of that part of the province of Quebec. It is very unfortunate, and they will suffer the consequences of their shortsightedness. I think they are too rigid when it is a question of adopting a project which may contribute to the economic development of the province of Quebec.

Mr. Speaker, I hope the house will turn down this amendment by a majority vote, so that the building of that railway may start as soon as possible.

(Text):

Mr. Arnold Peters (Timiskaming): Mr. Speaker I was interested in the remarks of the previous speaker in relation to this amendment. I think the amendment is an exceptionally good one. The hon. member who just resumed his seat pointed to the New Democrats and said that perhaps we should be for progress in this particular matter. I would remind him that the Americans have a saying, "Remember Pearl Harbour", and we have one in our part of the country, "Remember Murdochville". I think many hon. members are forgetting one very simple fact, that the Union Nationale is no longer a major force; it is now a very small minority.

We have heard a number of people who have come here and disagreed entirely with the suggestion that this railway should be built. They have made other suggestions. Then we looked at it as an outsider. I admit that I do not know too much about the Gaspe area, but if one looks at a map he will find that here is a stretch of railway that does not belong to the Canadian National Railways. This is privately owned; it is owned by the Canada and Gulf Railway Terminal, whoever they may be. When it is being discussed, usually the man's name that comes to mind is Mr. Jules Brillant. He is the man who controls most of the sea shipping, railways, airways, telephone system, power system and communications system, including radio, press and parts of the television system.

I would therefore suggest that a very small minority of the people are interested in the development that is being suggested to us, and I think we have an obligation not only to the people to see that they get as much as they can for their money, but we must also take into consideration another very important factor in our economy today. I refer to the railway workers.

Over the week end I had the opportunity to talk to quite a number of them who were violently opposed to any railway which is not going to make money, which will have no chance of making money and which is going to be defunct before it ever begins being built under government auspices. They pointed out that labour is always blamed for asking for wage increases. For years the government has been asking to build railways that everybody has admitted could not in the foreseeable future be economic projects. The reason for this railway not being an economic project will be blamed upon the workers and increased wages.

There have been many such railways built and the royal commission on transportation decided many years ago that we had too many railways in the country, particularly branch line railways, many of which are better situated than this railway. The royal commission felt these branch line railways were causing a drain on the economy of the country and they felt that if eliminated it

would enable the central railway system to carry its own weight, or come closer to doing so.

Is this not a problem with which we have been faced for many years? I have no quarrel with those who support the Union Nationale to bring this matter forward. It is true, as the hon. member for Gaspe said, that this railway would have been a wonderful thing 100 years ago. However, it may not be a good thing now. Perhaps they wanted it for 100 years but they have become kind of lost in fact that other methods of transportation may have eliminated to some extent the system that is now proposed.

I think we would be less than honest in this parliament if we were to pass this bill today and not be assured by the government about what is going to happen to the independent railway. There is 50 miles of railway that is to be controlled by the Canadian National Railways or this extension cannot be built. What is the point of putting the tail about 10 feet from the dog? That is not very logical. I suggest that only the government can give us this assurance, and six months is probably the time necessary to make all the arrangements with the owners of this private railway. An arrangement has to be arrived at before the railway is started, and I would think it has to be arrived at before we can even consider how much the railway is going to cost. I would think you have to take into consideration the possibility of expropriation and the ownership of the section that we are going to add to the other 45 or 50 miles of railway that is already in existence and is the connecting link between the Canadian National Railways set up and the rest of the Gaspe peninsula. I think this is an essential. I would think the people of Gaspe would demand that this were done before we made this contribution. I would like to make it very clear that if these considerations are met, I have no objection to the railway being built.

We have listened to the hon. member for Iles-de-la-Madeleine stating the resources that are going to be available and referring to the other assets of this railway. He referred to the possibility of the railway obtaining this large tonnage that he outlined. However, I am sure he will agree with me that we in this country are not one bit interested in supplying a transportation system that is not connecting and has no connection with the other railways under the control of Canadian National Railways. It would be quite possible for Mr. Jules Brillant to arrange it so that he were the only person in the area to obtain very much benefit out of this, because negotiations will have to take place with the Canada and Gulf Terminal Company before the railway operates at all. I believe that for this reason it is absolutely essential that this type of agreement be arrived at. I do not think it is good enough to say that perhaps the possibilities will develop. Perhaps this agreement can be worked out; perhaps it will not be necessary to expropriate the Canada and Gulf Terminal Railway, and perhaps this is good enough.

It may be that this is good enough, but for me it is not good enough, and for the Canadian people it is not good enough. We are not going to buy a pig in a poke. We want to be assured that this railway will be in continuous operation—that it is coming from somewhere and going some place, not just attached to somebody's private railway for a reason which is not particularly clear to me.

On these grounds I think the house might well express its opinion in a straightforward manner by supporting the amendment which is before us so that the committee might have another opportunity to examine the situation and give consideration to the views of other businessmen and interested persons, some of whom we had the opportunity of meeting this morning. These include people who believe that the expenditure of the $14 million is not in the best interests of the people of the Gaspe peninsula and that it will not necessarily bring a sizeable return to those who live in that area.

I think the government would be wise not to compare this proposition with another railway line which has nothing to do with the situation. I think the spokesmen for the government should stick strictly to the point. In addition, I think any such venture as this should be brought within the schedule of the Canadian National Railway Company. I do not see grounds upon which the minister can set up a separate company which would report to the house as an individual entity having no connection with the other railways of Canada. I do not see how the minister can bring forward a proposal of this kind and expect support either from hon. members or from the public of Canada. For all these reasons I believe the house should support the amendment which is before us at the present time.

The house divided on the amendment (Mr. Regier) which was negatived on the following division:

YEAS

Messrs:

Fisher	Pitman
Herridge	Regier
Martin (Timmins)	Winch—7.
Peters	

NAYS

Messrs:

Badanai	Baldwin
Balcer	Baskin

Division

Batten	Macdonald, Mrs.
Bell (Carleton)	Macdonnell
Bell (Saint John-Albert)	MacInnis
Bigg	MacLean (Queens)
Bissonnette	MacLean (Winnipeg North Centre)
Broome	MacLellan
Browne (St. John's West)	MacRae
Browne (Vancouver-Kingsway)	McBain
Brunsden	McCleave
Campbell (Lambton-Kent)	McFarlane
Cardiff	McGee
Cardin	McGrath
Caron	McIlraith
Carter	McIntosh
Casselman, Mrs.	McLennan
Cathers	McMillan
Charlton	McPhillips
Chatterton	McQuillan
Chevrier	Maloney
Churchill	Mandziuk
Clancy	Martel
Cooper	Matthews
Crouse	Monteith (Perth)
Danforth	Montgomery
Diefenbaker	Muir (Cape Breton North and Victoria)
Dinsdale	Muir (Lisgar)
Drysdale	Murphy
Dubois	Nasserden
Dumas	Nugent
English	O'Leary
Fairclough, Mrs.	Ormiston
Fane	Pascoe
Fleming (Eglinton)	Paul
Fleming (Okanagan-Revelstoke)	Payne
Flemming (Royal)	Phillips
Flynn	Pigeon
Forbes	Rapp
Frechette	Regnier
Grafftey	Ricard
Granger	Roberge
Grills	Robichaud
Halpenny	Robinson
Hamilton (Notre Dame de Grace)	Rogers
Hanbidge	Sevigny
Harkness	Simpson
Hees	Skoreyko
Henderson	Smallwood
Hicks	Smith (Lincoln)
Hodgson	Smith (Winnipeg North)
Howe	Southam
Jones	Starr
Jung	Stefanson
Keays	Stewart
Kindt	Tardif
Knowles	Taylor
Korchinski	Thomas
Kucherepa	Tucker
Lahaye	Webb
Lambert	Webster
Leduc	Weichel
Legere	White
	Woolliams
	Wratten—128.

Mr. Speaker: I declare the amendment lost. Is the house prepared to proceed with the main motion?

Some hon. Members: Agreed.

Mr. Balcer moved the third reading of the bill.

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

Some hon. Members: On division.

[Mr. Peters.]

Motion agreed to on division and bill read the third time and passed.

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

DOMINION-PROVINCIAL RELATIONS

CONTINENTAL SHELF DISPUTE—SUGGESTED METHOD OF SETTLEMENT

Mr. Harold E. Winch (Vancouver East) moved:

Be it resolved that the House of Commons notes the important issues of responsibility and jurisdiction over the issuance of leases, collection of royalties and control of the continental shelf, being the seaward borders of various provinces and the northern territories, and further recognizes that a federal-provincial dispute has already arisen in connection thereto as both federal and coastal provincial authorities claim sovereignty.

It is therefore recommended, as the opinion of this house, that the government take under advisement a settlement of the dispute in the following manner: (1) that the issue of sovereignty over the continental shelf shall be a matter of immediate negotiations between the parties concerned and; that failing an early agreement the matter shall be referred to the Supreme Court of Canada, with an understanding that its decision shall be implemented by the introduction of required legislation and/or an amendment to the British North America Act.

(2) That as the continental shelf issue involves the federal government and several provincial governments, that in the interim period pending settlement, agreement be reached that the federal authority issue exploratory leases.

(3) That all receipts from leases or royalties shall be held in escrow pending a decision on sovereignty either by dominion-provincial agreement or decision of the Supreme Court.

He said: Mr. Speaker, the matter of the continental shelf is one of serious, major and fundamental importance to all of Canada. I am sorry that I found it necessary to put forward such a lengthy resolution, but the question of the continental shelf is so difficult, so complex, so constitutional and so legalistic that I found that the only way by which I could present some of the more serious aspects of the problem and some proposals as to how to resolve the problem for consideration was by drafting the resolution as it now appears on the order paper. In view of the shortness of the time allowed each member in this debate, I am going to endeavour to keep my remarks comparatively brief and with the permission of hon. members I am going to follow very closely some notes I have prepared on the matter.

May I introduce the subject by saying that the seaward borders of the lands of the earth have been under discussion, dispute, exploration and exploitation in recent years. This is happening after nearly 400 years of comparative quiet and stability. However, in the

past few years a multitude of new problems have arisen, problems which are plaguing and have plagued many nations throughout the world and our own country as well.

I am sure that anyone who has followed the subject of the continental shelf will agree that it is obvious now that the same kind of federal-provincial dispute has arisen in Canada over the offshore mineral rights as has given rise to bitter controversy in the United States in the past 20 years. It should be noted, Mr. Speaker, that quite a few months ago the federal authorities in Ottawa issued exploration leases with respect to the continental shelf off the foreshore of the province of British Columbia and a few months after the federal government had issued these leases covering many hundreds of thousands of acres of the continental shelf the government of British Columbia threw down the gauntlet, shall I say, accepted the challenge and issued exploratory leases which in many cases overlap and serve the identical purpose of the leases issued by the federal authorities.

I am going to refer particularly to my own province of British Columbia because it is involved in a dispute with the federal authorities over the questions of sovereignty, the right to issue leases, royalties, control, everything having to do with matters pertaining to the continental shelf. Because this situation is now to the fore in Canada I think it is important to note what has been taking place in the United States.

There have been three important decisions by the United States supreme court holding in essence that the national or federal government, not the states, is possessed of paramount rights in and sovereignty and control over the continental shelf. However, because of the complexity of the agreements, relationships and treaties between various states in the United States and the federal government in that country all these matters have been held in abeyance as a result of the submerged lands act of that country of May 22, 1953.

It is very interesting to note that because the dispute in that country is still unresolved after 20 years and because there are many more cases involved, over $400 million of exploration money is being held in escrow by the federal government until the constitutional issue of sovereignty and control is resolved in that country. Although our constitutional set-up is somewhat different, without a doubt we are facing a similar problem and in some ways it is a larger problem because I do not think it is generally recognized that Canada has a greater continental shelf area than the United States, even if Hudson bay is excluded. In Canada we have a greater area of continental shelf and it is estimated that, with the discoveries of science and new technology, in the future it is going to be worth countless billions of dollars in natural resources and in turn royalties. That is why the question of sovereignty is of such importance to our country.

So far as I have been able to ascertain from all the reading I have done on the subject, the United Nations conference on the law of the sea, which met in Geneva in 1958 with representatives of some 86 countries present, made the first real attempt to establish some international understanding with regard to the continental shelf. It was decided at that conference on the continental shelf by a vote of 57 to three with only eight countries abstaining that the federal authority had sovereignty and control over the continental shelf. Although that was the viewpoint expressed internationally, to my knowledge nothing has been done in Canada to resolve the situation. As a matter of fact, in my opinion the situation is not only ludicrous but absolutely ridiculous. Here we have the federal government issuing leases granting exploration rights on the continental shelf in the territorial waters off British Columbia. Then, we have the province issuing leases covering exactly the same area to do exactly the same thing. What has been the result? The result has been that there is charge and countercharge, insult and counter-insult and abuse. The big companies will not proceed with the exploratory work; they are not moving at all. Why is this so? It is the result of the jurisdictional confusion about sovereignty, as to who has rights, who has control. They do not want to move ahead and perhaps spend millions of dollars, and then find themselves involved in lawsuits or intergovernmental disputes. I say, Mr. Speaker, that it is not in the interests of Canada to allow this condition to continue.

Surely, we do not want to have in our country a repetition of the 20-year battle that has taken place in the United States in the courts with the result that that country as well is being held up in attempts at exploration of the mineral and organic material on the continental shelf which, of course, borders every state and every province that has a waterway or an ocean adjacent to it.

Now, it would be unfair for me to raise the problem and at least not have some idea as to how I think it might be approached. I will admit it is most difficult. Perhaps what I suggest is not feasible, but I have included in the resolution at least my ideas of how the problem may be approached. You will find in the latter part of the resolution under 1, 2 and 3, procedures which I hope will be

considered and which it might be possible to have followed. If the procedures set forth therein are not feasible, then at least let us have some kind of constructive action taken. For heaven's sake let us regard ourselves not as a sovereign state in Ottawa, a sovereign state in British Columbia or in Nova Scotia, but as Canadians. Instead of making charge and countercharge, let us sit down as though we were a united nation and try to solve our difficulties. Let us see how we are going to proceed in the interest of Canada.

It is my suggestion that an immediate endeavour be made to bring the federal government and the provinces concerned together to see if an agreement can be reached on sovereignty and on the leases. If that cannot be done, then we should not just let the matter drift. It is my understanding that the government has certain powers. I would say, refer the matter to the Supreme Court of Canada which is the highest body to which we can appeal because no provision is made for the granting of these leases under the British North America Act or other legislation. Let the court tell us what is the proper position to take. After that, let us proceed with this development by agreement, as Canadians, whether it is the provincial or federal government that has jurisdiction. Let us proceed by mutual agreement to introduce legislative amendments or changes in the constitution that would take care of the situation which, of course, was not one which was recognized at the time the terms of confederation were laid down.

However, all that takes time. Why should we wait? I suggest also that there should be an understanding, which I hope can be arrived at, so that we can proceed now, by means of which those who hold leases in British Columbia could proceed with their explorations. If, as I hope, in the not too distant future there is development, then it could be agreed that, until this problem is cleared away and all the disputes resolved, the federal government would issue the leases and hold the moneys received in escrow, the same as they are doing now in the United States. Then, whatever money is there will be distributed on the basis of this new clarification of natural resources power in our country.

This is a subject in which I am keenly interested. I could speak on it at length. I do hope that with these words I have at least outlined the problem and I hope members recognize how serious it is. I believe the suggestions I have made may lay some of the groundwork for a discussion as to how, in the interest of Canada, the potentials of our continental shelf may be developed so that our country can expand. I hope we can solve this problem in a manner that will qualify us as sensible human beings and members of parliament.

Mr. H. C. McQuillan (Comox-Alberni): Mr. Speaker, first I want to compliment the hon. member for Vancouver East (Mr. Winch) for introducing this resolution. This is an issue that is of extreme importance, particularly in British Columbia. As the hon. member has pointed out to you, the possibility of oil exploration and the hoped for oil development in British Columbia has been slowed because of the failure to establish sovereignty over the resources of the continental shelf. I should like to quote from a publication called *Oilweek*, of October 9, 1961. This article carries the headline, "Calm Settles Over B.C. Offshore Acreage", and states:

> Having made their initial grab of oil rights off British Columbia's coast line, exploration companies now appear content to sit back and wait to see if they filed for permits with the right government.
>
> Even those who played safe and took out permits from both federal and provincial agencies are in no hurry to commence exploration.

Perhaps the companies are not in any hurry, but I think the people of British Columbia are most anxious that this exploration be expedited. For that reason, I can lend a good deal of support to this resolution. Now, the issue of the ownership of minerals, coal and other fossil fuels in the continental shelf extending from our shores is one that cannot be dismissed as unimportant. This is particularly so in British Columbia. There is something in the nature of 15,000 miles of shore line in British Columbia. Of course, this takes in a lot of the islands lying off the shores of British Columbia. We have thousands of miles of inlets or fjords, as some call them. We have a narrow stretch of water between Vancouver island and the mainland. Anyone who cares to take a look at the map of the coast of British Columbia will readily see that this is an extremely difficult problem along that coast.

In my opinion, the problem cannot be dismissed by stating that under the provisions of the British North America Act these rights are vested in the federal government because I have not found that is so. I do not believe it is necessarily so. One cannot say that the settlement of similar disputes in other areas of the world has set a precedent that applies in the case of our own continental shelf area. There is a difference between our constitution and the constitution of the United States, and any settlement that might be made concerning rights in the gulf of Mexico would not necessarily set a precedent for a settlement of a Canadian problem. There have been in the past some contradictions on the part of the federal government that do not bear out the

contention that the continental shelf regions are under the jurisdiction of the federal authority.

I believe it was in 1928 that the provincial government of British Columbia granted oil exploration rights in Hecate straits, lying between the British Columbia mainland and the Queen Charlotte islands. There was a very minor amount of exploratory work done at that time, but as the result of information gained then and as a result of further geological knowledge the oil companies have now taken a new interest in that particular area as well as in others around the coast. For a number of years they have been drilling test holes along the southern part of the Queen Charlotte islands, and have apparently come to the conclusion that the area extending under the sea from the Queen Charlotte islands holds a potential for the discovery of petroleum products.

About two years ago the former minister of northern affairs and national resoures asked me why the oil companies would be applying for exploration rights off the coast of the Queen Charlotte islands. He asked how could they possibly drill in that area. I pointed out to him that a very large part of Hecate straits is comparatively shallow. There is an area extending out some 20 miles which has a water depth of probably less than three fathoms, and after the experience in the gulf of Mexico such a depth of water poses a very minor problem for drilling and exploratory work done in connection with oil.

Now, as I said, there had been some contradictions in the past. I know I am not telling secrets when I say it has been a well known fact that coal operations have been carried out on the continental shelf in the maritimes for many years. I never heard any issue raised over that type of mine there, but I can foresee lots of complications if the federal government insist that continental shelf resources belong to them. In the case of the whole gulf of St. Lawrence and the lower St. Lawrence area, who has the rights to the resources? Who has the rights to the resources in the bay of Fundy?

The federal government does not dispute the right of Ontario to resources lying under the Canadian section of the great lakes. Somebody might say that is fresh water, but it is a huge inland sea and some comparison can be made. The water area of the great lakes exceeds the total continental shelf area lying off the coast of British Columbia. In fact the Ontario section of lake Huron is as large as the area in the region of the Queen Charlotte islands and Hecate straits in which the oil companies are so anxious to pursue exploration work.

I support the suggestion of the hon. member for Vancouver East (Mr. Winch) that the issue of sovereignty over the continental shelf "shall be a matter of immediate negotiation between the parties concerned". I do not see any reason to expect failure of these negotiations so far as those in British Columbia are concerned. I, as a British Columbian, feel that the mineral and fossil fuel resources of our continental shelf are rightly ours. If a reference is made to the supreme court, as I believe the Minister of Northern Affairs and National Resources suggested might be done on several occasions, and if the ruling is adverse to the interests of British Columbia, then I feel the law should be amended to redress what I consider is a wrong.

I shall quote again from *Oilweek* of October 9, 1961, which has a reference to the former minister of northern affairs and national resources, who is now Minister of Agriculture (Mr. Hamilton), and the Minister of Justice (Mr. Fulton) appearing before a committee of the other place. It reads:

> Present, among others, were the then minister of northern affairs, the Hon. F. A. G. Hamilton and the minister of the Department of Justice, the Hon. E. Davie Fulton.
>
> Apparently no subsequent discussion has taken place to up-date this debate, during which Mr. Hamilton made these comments in answer to questions:
>
> "We seek no power to take over the land of any province or any area not described as being precisely within our power . . . It is not the intention of the government to force anything on any person or any group that is unwilling to accept."

They were discussing a bill before the house at that time. Later, Mr. Fulton is quoted as saying:

> The amendment which is now proposed has been drawn in the desire to make it clear that the operation of this act will not extend to the Pacific coast, in which the province of British Columbia is interested; will not extend to the gulf of St. Lawrence, in which the province of Quebec is interested; will not extend to a large portion of the coast of Labrador, in which that province is also interested; and will not extend to the great lakes, in which the province of Ontario is interested.
>
> In other words, it will be confined to the areas where I understand the lands under territorial waters can be agreed now to be lands within the jurisdiction of the government at Ottawa—

Any suggestion that the federal government has considered itself on firm ground on claiming the resources under our continental shelves, particularly adjacent to the provinces, is not justified in view of the statements of these ministers.

I feel that everything possible should be done to expedite oil and gas exploration on the coast of British Columbia, and clauses (2) and (3) of this motion offer what in my opinion is an acceptable method of breaking the present impasse. I hope that the government of British Columbia will accept such

a suggestion and will sit down with our federal officials in order to get this whole matter on the road. We have enough contentious issues between our various provinces and the federal government to weaken us as a nation. I say let us settle those we can, and I believe this is one we can settle. We have a great deal of difficulty in settling some others between the federal government and the provincial government of British Columbia, but I think this is one that can be settled without bad feeling.

I want to say further, Mr. Speaker, that I have never been able to find any indication, nor do I believe it was ever the intention when confederation was conceived, that federal revenues should be drawn directly from the control of natural resources, and I say once again that in my view these natural resources lying off the coast of the provinces belong to the provinces. For the federal government to attempt to draw revenues from these resources might well be classed as nothing but greed and will certainly not encourage the development of our continental shelf resources.

Having said this, I want to impress upon the house and the ministers concerned with these questions that this is an extremely important matter to us in British Columbia. The discovery of oil or natural gas along the coast of British Columbia would give a tremendous impetus to our economy. At present most of our oil is transported long distances by pipe line and is brought in by ships. This results in a fairly high cost to the consumer.

We have our oil resources in the Peace River and we draw oil from Alberta, but the fact is that for one item alone, furnace oil, where I live we pay 20.6 cents a gallon and I believe it can be purchased for anything from 14 to 16 cents in the city of Montreal; and Montreal certainly draws its oil supplies from far distant countries.

I think this points up, Mr. Speaker, the urgent need for a settlement of this continental shelf resources issue and I hope that these oil companies will be able to proceed with their exploration work and a settlement will be reached at the earliest possible date.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, like the previous speaker I wish to compliment the hon. member for Vancouver East (Mr. Winch) for bringing forward this resolution which is extremely well worded. Unlike my colleague from Comox-Alberni I find myself fundamentally in agreement with all the points raised. It seems to me that—

[Mr. McQuillan.]

Mr. McQuillan: On a point of order, Mr. Speaker, the hon. member said, "Unlike my colleague from Comox-Alberni I find myself in agreement with the points raised". I think I made it clear that I agreed with the resolution.

Mr. Broome: I thought I said that I complimented the hon. member from Vancouver East, the same as my colleague from Comox-Alberni. I do not think there is any relationship between a continental shelf and such areas as the great lakes; these are simply depressions inside a continent. The continental shelf is the shallow area which stretches out into the ocean.

It seems to me that we could well have a condition of superior and inferior provinces in this connection. For instance, the provinces which joined confederation in 1867, and British Columbia which joined a little later, were crown colonies which came into confederation bringing with them certain rights guaranteed under the British North America Act. It is quite conceivable that if new provinces are set up in the Northwest Territories this parliament could, in its wisdom, take away from those new provinces any rights to any mineral wealth underneath the continental shelf in the Arctic ocean. We would perhaps then have the older provinces of Canada having certain rights which newer provinces might not have.

There is also the fact that the federal government is in charge of shipping and the fisheries, and it seems to me that by intent the federal government is supposed to look after those matters which are outside the actual land boundaries of the various provinces. I think it would be rather unfortunate if in continental shelf exploration we had varying laws and regulations enunciated by each province which happened to be concerned.

I think one of the factors which has caused the very intensive development in the Northwest Territories has been the fact that we have uniformity in our regulations and we have regulations which were designed for the benefit of Canada, because it is considered that these resources in the Northwest Territories at this particular time must be used for the benefit of all of Canada.

I do think there is a certain precedent in regard to the law of the sea. We do have our own constitution, but in these matters I think that any court of law would take into account the generally accepted international legal procedure, and this must have some bearing upon any decision that is handed down.

However, I think that the hon. member for Vancouver East has got himself into a little bit of a jackbox when he says in paragraph (1):

—implemented by the introduction of required legislation and/or an amendment to the British North America Act.

It is my understanding that the British North America Act can only be amended by unanimous agreement among all provinces. In fact this is one of the weaknesses of our constitution, that if any one province disagrees with something the other nine provinces want to see the federal government go ahead with, the federal government's hands are tied. It could well be that if we must have an amendment to the British North America Act we could never come to any sort of agreement. It would seem to me that if this question were referred to the Supreme Court of Canada, any decision of the supreme court must necessarily become binding on all parties.

I do not think the reference to coal mines being extended out from land areas in Nova Scotia underneath the sea is pertinent to this particular subject, because that resulted from a land development extending into the sea whereas the oil exploration envisaged on the continental shelf is from mobile rigs operating out on the water, in many cases scores of miles from land. We could have a balkanization of Canada; we could have various jurisdictions. This could result in the least advantageous development of our natural resources as far as those resources under the continental shelf are concerned.

It does seem to me that the proposals put forward in this resolution have merit. However, this is an extremely tricky legal problem. It is a problem upon which I think lawyers could spend quite a long time. Lawyers are very interested in the fine points of meaning of clauses and words. This resolution has been developed, I assume, by the hon. member for Vancouver East, who has many admirable characteristics but I do not think he is a lawyer. Neither am I nor the hon. member for Comox-Alberni, and therefore I think this matter would have to be looked at very, very carefully before this parliament committed itself to advising the government that this is the right kind of action. I think the ideas are right and the philosophy behind the resolution is right, but I do not know whether this is the only approach. I think this is a problem for the legal brains of the government to sort of dig into very, very thoroughly.

In regard to agreement and immediate negotiations among the provinces, of course, these can be started at any time, but in order to have negotiation you must have a willingness on both sides to negotiate. It may well be that this will come about; I certainly hope it will. However, knowing the conflict of interests which exists between the various provinces and the federal government, I am not sure. I wonder if it will be as easy as the hon. member for Vancouver East thinks it will.

To sum up, I would say that this resolution should be studied by the appropriate officials in the Department of Justice and by the departments of government concerned. They should understand that this is a problem which cannot be carried forward year after year without anything being done about it. They should realize that it is necessary to reach some sort of conclusion, and if these negotiations do not result in an agreement then the only solution which I can see is the one which the hon. member has suggested, namely to take the matter to the Supreme Court of Canada.

Mr. Stuart Fleming (Okanagan-Revelstoke): It is not possible for any hon. member from British Columbia to argue against the spirit or the intent of the motion which the hon. member for Vancouver East has submitted. All of us, regardless of party affiliation, are aware that the people of British Columbia require and demand the settlement of the dispute which now exists between the federal government and the provincial government in this matter of jurisdiction over the continental shelf with respect to such matters as the collection of royalties, leases and so on.

As the hon. member for Vancouver East has pointed out, and as other members from British Columbia have indicated, this question of jurisdiction is one of extreme complexity. If one reads the various opinions which have been expressed since this dispute arose it is impossible not to realize that there are many points of view, both legal and otherwise. Even in the oil industry itself there is doubt where the responsibility lies. Further, as the resolution itself suggests, while the major dispute at this moment exists between the dominion government and the government of British Columbia, it is quite possible that any decision or agreement reached by those two authorities would have an impact on the other provinces, provinces which now have an agreed position in relation to their offshore rights on the continental shelf. The position of these provinces might be altered in any understanding or new agreement entered into between the government of British Columbia and the federal government. I do not feel, therefore, that a resolution as all-embracing as this one could be made to work at this stage.

In addition there appears to me to be a possibility that the second and third recommendations in the resolution contain the seeds of a further dispute which might be imposed on the existing one. As hon. members know, agreements between British Columbia and the dominion government have been entered into over many years. There is, for example, the six harbour agreement of 1924 which happened to provide British Columbia with a considerable part of its claim to jurisdiction over the shelf off the coast. But there is no common understanding as to what exactly that agreement provided. There are two interpretations. And so it goes. Throughout this whole discussion we find that the dispute is based on differing interpretations of existing legislation and agreements.

In the first instance, before consideration is given to bringing this matter before the courts, I think that in the interests of both the federal government and the province there should be a meeting between representatives of the departments directly concerned with this matter on both sides to find out if there is some common ground upon which the dispute might be resolved by negotiation outside the courts. At the present time discussions are being carried on at much too long a range. There does not seem to be any great desire on either side to enter upon negotiations in a spirit of conciliation, recognizing that the best interests of the people of British Columbia and, therefore, of the people of Canada, are not being served so long as this dispute continues unresolved. I believe it is necessary that the two governments should try to find some means of gathering together their experts from departments which have a particular interest in this question in an attempt to discover, in conference, whether there is not some ground for common understanding which could provide a basis upon which to proceed. I think that is the first requirement, and surely it is a reasonable one.

My next point is this: there is a good deal of danger that the relationship between the federal government and the government of British Columbia may become, in the public mind both inside and outside British Columbia, something like that which exists between India and Kashmir. We are not separate states. British Columbia is not a separate state; it is an integral part of confederation. The federal government is not, to the best of my knowledge, at war with the government of British Columbia at the moment, though at certain times one might get an impression that such a state almost existed; there are other disputes. I think it is time now to recognize that this is not a question of maintaining the prestige of either government. It is a question of resolving this dispute to make certain that the people of British Columbia, and therefore the people of Canada, should get the benefit of a long delayed and most necessary resource development. These attempts to protect prestige so often lead to a curious situation where no interests are served, including the attempt to preserve prestige itself. By the time the dispute has dragged on month after month, the people have become tired of it and there is no prestige left for anyone; there is only acrimony, resentment and, on the part of the people, bewildered boredom.

The issue is clear—it is to obtain resource development; to get the economy of Canada further developed. By developing the economy of British Columbia we do develop the economy of Canada, despite certain suggestions to the contrary which emanate from the west coast from time to time. However, as I say, I do think the first requirement is a meeting between the representatives of the two governments where the people concerned with resource development and the people who understand the law relating to the situation can meet to decide whether there is not some position which can be mutually agreed or some road which can be followed. It may be that the only agreement which would come out of such a meeting, or series of meetings, would be that the question should be submitted to the supreme court.

If it cannot be done by negotiation then I cannot see any other possible alternative. There would have to be an agreement that when the supreme court decision is made it will be binding on both parties. That is almost entirely what is incorporated in the first recommendation of this resolution.

When you look at paragraphs 2 and 3 of the resolution you realize immediately that the provincial government would have to recognize the federal government's position as a caretaker position in which the federal government would issue exploratory leases during the period of negotiation or while the issue was before the courts and collect the revenues and royalties and hold them in escrow.

I do not think we can go that far in this resolution. I strongly suspect the present temper of the government of British Columbia to be such that it would not be willing to accept the suggestion that the federal government at this time should have even a caretaker authority over the shelf. But of course we cannot really know what the attitude will be unless a meeting is held at which representatives could meet and determine whether they could come to an agreement on points such as those raised by the resolution now before us, and on others

which may exist. While there is no agreement at the moment and no meeting of minds between the federal and provincial governments there is certainly not merely a hiatus in the consideration of this question. The issue is a live one here in Ottawa in the departments of the federal government concerned, as well as in British Columbia. The positions of the two governments and their arguments to support those positions must be clearly defined and established. Consequently it is time now to bring about a means by which a conference can be held. I would hope that from the conference would emerge the means by which there can be achieved settlement of the question whether merely by negotiation or by reference to the supreme court.

As to the points contained in paragraphs 2 and 3, they will perhaps come up. As a matter of fact I suppose those two points cannot be avoided in any negotiations; but I do not think the federal government should be bound to include them at this stage in view of the fact that there may be other approaches the federal government has assessed and is prepared to introduce in the negotiations, if they could be reopened.

I return to my original contention that it is impossible for a member of this house from British Columbia to oppose the spirit and intent of this resolution, but the only part of the resolution which strikes me as being entirely valid at this time is that contained in the first paragraph recommending that a meeting be held to deal with the problem and attempt to find a means of settlement which the people of British Columbia are now demanding be achieved.

Mr. R. D. C. Stewart (Charlotte): Mr. Speaker, in rising to participate in this debate —very briefly, as I see by the clock—I wish to compliment the hon. member for Vancouver East on proposing this resolution, but I wish to state that it involves issues of such magnitude, both legal issues and others, that it can scarcely be discussed in the hour reserved for consideration of private members bills. I do not consider myself a constitutional expert nor do I appreciate all the ramifications of the British North America Act, but it appears to me that there are raised in this resolution matters of great magnitude and of vital importance, not only in relation to the development of Canada but to that of each individual province.

We are dealing here with the continental shelf which in my opinion has never been exactly defined. We do not know how far it goes seaward or where it starts landward. The maritime provinces, although not to the same extent as British Columbia, are interested in the development of the continental shelf. I believe it was in 1925 that the legislature of the province of Nova Scotia passed an act vesting the foreshore of the province in the provincial government. Nothing was said as to the ownership or rights in the territories beyond, in the land beyond the foreshore. The fact that over the years some of the collieries in Cape Breton have extended their operations out under the sea does not in my opinion establish any claim except possibly that of adverse possession, but certainly not any inherent right of sovereignty.

The province of New Brunswick on the other hand has not passed such an act. We have grants in the province of New Brunswick that came from the imperial government, the government of Great Britain, under which the grantee is given rights to low water mark. A former chief justice of the province of New Brunswick now deceased decided that the province owned the land under the ocean for many miles. Whether or not that decision was correct, I am not prepared to say. In my opinion the first thing that must be decided is what is the extent of the continental shelf.

As hon. members know under the British North America Act certain fields of jurisdiction were assigned to the federal and provincial governments. According to some constitutional experts a residual power is also vested in the federal government under which anything not assigned to the jurisdiction of the provincial governments is vested in the federal government altogether apart from the section dealing with peace, order and good government. It may be that as the continental shelf is not mentioned as coming within the jurisdiction of the provincial government, it remains vested in the federal government.

Mr. Speaker, may I call it six o'clock?

The Acting Speaker (Mr. Chown): Before I call it six o'clock may I ask that the house give its consent to permit us to proceed to the next order of business. Is it agreed?

Some hon. Members: Agreed.

SUPPLY

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

DEPARTMENT OF FORESTRY

Forest research branch—

635. Operation and maintenance, further amount required, $80,000.

At six o'clock the committee took recess.

Supply—Forestry

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Benidickson: Mr. Chairman, I think we last dealt with this item on February 23. Before that time and since, I have had the opportunity of having a couple of conversations with the minister in connection with wood preserving. On behalf of the new industry in my riding, as well as four others which I believe were started elsewhere in Canada in 1961 and two additional ones which are expected in 1962, I have been suggesting to the minister that the forest products laboratory should endeavour to work in closer conjunction with the spending departments such as transport, public works and those other government departments which are perhaps the biggest purchasers of preserved wood in Canada.

I am speaking, of course, of a relatively new process so far as Canada is concerned, the waterborne preservative known as the Boliden salt process, whereas most of us are more familiar with oil treatments for wood preserving. So far as my riding is concerned, there seems to be quite a scope for the utilization of wood species such as poplar, which we have in great abundance, that are sometimes described as wood weeds. In our area we no longer have, of course, the wonderful white pine that made the early mills in northwestern Ontario so famous, and because of freight rates and so on the import of fir and other more popular products is sometimes prohibitive. The result is that products other than wood are being used in substitution.

I am told that a number of additional plants using this new process could be established if there was not quite so much rigidity in the acceptance of certain standards that have been traditional in this country. Those who have spoken to me seem to feel that, without adequate initiative and experimentation in Canada, we have been inclined simply to accept United States standards and have been ignoring the fact that while this particular process is new in Canada it has been well known for some time in European countries, particularly the Scandinavian countries. I believe that this particular salt waterborne preservative has been utilized in Europe since 1935.

As I understand the situation, the minister's forest products laboratory is prepared to tell any possible purchaser of wood for which a preservative is required that a standard of .55 with respect to the Boliden salt process is adequate rather than the standard of .65 set by the Canadian standards association. The point I wish to make to the minister is that, first of all, the countries of Europe, New Zealand and others have accepted a standard of less than .55 but if in the opinion of our laboratory .55 is satisfactory it seems to me that information should be conveyed properly to such departments as the Department of Public Works, which establishes specifications for the purchase of wood that is required in many of its structures. I urge that the department go beyond that and establish whether a standard of .55 is not higher than necessary and whether there is not undue conservatism in this particular field.

I happened to listen to a farm broadcast on the radio at noon and the subject under discussion was the forest products laboratory and the preservatives that are available for treating farm fence posts and so on. There is a tremendous field here, of course, in so far as the weed woods are concerned and there would be tremendous industrial and economic advantage to our part of the country in the use of this process. I know the same thing is true in Manitoba because I know that a plant of this type has been established in the constituency of the hon. member for Dauphin. At first the plant had a hard time selling the product but now they are working to full capacity. I understand that the governments of Saskatchewan and Manitoba have accepted this preservative with respect to such purchases as telephone poles. Hon. members know, of course, that in those provinces the telephone companies are government owned.

I suspect that there has perhaps been undue reliance on United States standards rather than doing our own experimenting independently. There is a feeling that, in relation to oil treatment preservatives, a standard of lower than .55 could properly be accepted with regard to this process. If this were done it would certainly generate a substantial cash flow that is not available at the present time in areas such as mine and other rural areas, particularly in western Canada, where there is this immense asset in the form of unused poplar wood.

Mr. McQuillan: I should like to speak on this item for two reasons, the first being an item that appeared in the newspapers across this country. The article to which I refer appeared in the *Globe and Mail* for Thursday, March 8, datelined Vancouver, B.C., and reads:

A major expansion of the Elk Falls pulp and paper mill on Vancouver island at a cost of $25 million was announced today by Crown Zellerbach Canada Ltd.

G. H. Gallaway, company president, said the expansion would mark the first production in Canada of bleached kraft pulp from sawdust.

The expansion will add 50,000 tons of sawdust pulp a year; increase the kraft pulp production to 1,000 tons from the present 520 tons a day and triple the Elk Falls bleach plant capacity to 600 tons a day from 200 tons.

The Elk Falls plant, just north of Campbell river, on Vancouver island's east coast, brought into production in 1952, cost $65 million. It is operated by the Elk Falls Company Limited, a division of Crown Zellerbach.

"This is the biggest single expansion our company has undertaken." said Mr. Gallaway. Completion is scheduled for 1964.

I believe the article was in error in setting the capital cost of this expansion at $25 million because I understand the official press release stated it would be $35 million.

Now, Mr. Chairman, this is a very important breakthrough in applied science. For many years it has been a dream to use sawdust as a raw material in the production of pulp. One often hears private business being castigated for its alleged failure to participate in research work. One also often hears, both in this house and outside, suggestions to the effect that United States industrial firms operate on a basis of cut out and get out in Canada. This development at Elk Falls was made possible because of the wealth of research knowledge the parent company, Crown Zellerbach, has gathered not only through its own research facilities but from all the sources available to it in the United States, Canada and indeed throughout the world. There may be a pulp plant in some other part of the world which is successfully using sawdust as a source of raw material, but I do not know of one. While I take an interest in forestry matters and forest products, I am not aware of another plant that is using sawdust for this purpose.

I should like to point out, Mr. Chairman, what this development means from an economic and forestry point of view, particularly in British Columbia. It is of particular significance to our future economy. This development means that our pulp industry has available to it a low cost raw material that will help make it competitive in other parts of the world and still provide working conditions for the labour employed in pulp mills that are as good as any place in the world. I believe I can safely say that. I believe working conditions in our pulp and paper industry are as good as any in North America, and consequently any place in the world.

In the case of this one plant, our forest products production is increased by the equivalent of 40 million board feet of timber a year without cutting one additional tree. The value in dollars of this pulp I will not attempt to estimate, but it runs into many, many millions of dollars. The annual output of sawdust waste in British Columbia, if it were economically available, would supply the raw material requirements for upwards of 25 such plants as this one proposed at Elk Falls. I said if it were economically possible because I think that is getting into the realm of fantasy. Many of the saw mills are in remote areas and there would be a real transportation problem in getting the sawdust to the pulp mills. I doubt if, by any stretch of the imagination, the sawdust waste of all saw mills could be used in the pulp mills of British Columbia.

One important fact of this new pulp development is the fact that in British Columbia there is no question about whether timber should be converted into chemical use or sawn into lumber products in saw mills. Both types of plants are an integral part of the over-all forest industry. One is just as important as the other, and a healthy pulp and paper industry needs a healthy lumber industry and the latter needs every possible assistance from research in order to sell its products in competition with materials available from sources other than wood.

This consideration of materials other than wood brings me to a subject that is very much in the mind of anyone who has knowledge of our British Columbia forest industry. I have referred to this before on a number of occasions, and I am speaking of our cedar problem. I feel that a crash research program is needed to find a solution to this problem. About 25 per cent of our coastal stands of timber is western red cedar. This would probably amount to about 100 billion feet board measure of timber. I have not the figures for the interior, but I would estimate that about 10 per cent of the interior stands are western red cedar. They are primarily situated in the Kootenays, the Columbia river valley, the lower Thompson and some of the areas around Salmon Arm and Enderby. There is much of this cedar that is of high quality and produces a high grade product in the form of cedar siding, cedar panelling, shingles, shakes and other products.

We have run into very severe competition in recent years from substitute materials. We are finding it difficult to convert a large quantity of this cedar into sawn products that we can sell. In fact, a few weeks ago, within the last two weeks, I believe, there was an announcement from MacMillan, Bloedel and Powell River Company that they were closing the cedar mill operation at New Westminster. This plant has been known as the B.C. Manufacturing plant, and because of the difficulty in finding markets for the products from that mill, the plant is closing. I believe this factory employs approximately 265 men and it uses approximately 75 million board feet of cedar a year. Where is a market going to be found for these 75 million feet of logs? They are going to come out of the woods because the cedar is interspersed amongst the

other species required for lumber, pulp and paper, and they will be produced whether or not there is a market for them. This is a problem that is increased year by year and I believe it has been brought to the attention of the minister and his officials by the forest industries association for British Columbia. I have a copy of the brief that was presented to the minister about one and a half or two years ago, shortly after he became Minister of Forestry. I should like to quote from this presentation which deals with the particular problem of the British Columbia forest industry and which shows how the Department of Forestry could best aid that industry. It states:

> The percentage of cedar in the coastal forest inventory is very high, in fact more than four fifths of the total cedar inventory of North America is in B.C.'s forests. The actual percentage of cedar in our coastal inventory is about 24 per cent, yet, for many years, the percentage of cedar being cut annually is much lower than the percentage of that species in the total forest inventory, the percentage of cedar being cut being only about 17 per cent. This percentage has represented the maximum volume that existing or known commercial uses have been able to absorb. As a consequence of the low percentage being cut, the western cedar problem each year becomes more serious. A very high percentage of this cedar (which is known as "western red cedar") is suitable only for shingles and low grade lumber, for which there is a limited demand.
>
> As a result of the combination of circumstances referred to in the preceding paragraph, you will appreciate that the utilization of cedar is one of our industry's most serious problems. Leading forest engineers and chemists, who have studied the problem are convinced that the only real solution to the problem of using low grade red cedar is partly in increased use in the manufacture of pulp but chiefly in finding, through research, a wider range of commercial uses for cedar, including chemical extractions thereof.

I should like to emphasize the importance of this problem to the minister and stress what it means to the economy of British Columbia. It is what I might refer to as one of the soft spots in our economy and I feel that most people who have a knowledge of the B.C. forest industry—I think I have some knowledge of it myself—believe that with a concentration on the part of the Department of Forestry, with its facilities for research, there is every reason to be confident that the department would come up with the anwer to this problem. I ask the minister to give it his personal attention at the earliest possible date.

Mr. Batten: This is the first time I have had the opportunity to take part in discussions on the estimates of the new Department of Forestry, and it is a department which I believe will reach considerable prominence in service to Canadians in the future. The minister brings to his post a very wide and practical knowledge of the forests of Canada in general, and of the forests of his own province of New Brunswick in particular. Through you, Mr. Chairman, may I say to him that I wish him well in his efforts.

During my years in this house I have always been particularly interested in matters pertaining to research. I have enjoyed many of the meetings of the House of Commons committee on research, of which I am a member, but to date we have not been able to get to the point of discussing research in forestry. I hope that some time in the near future we shall be able to do that.

I believe Canadians are becoming more aware of the value and the need for research. However, I think that over the years we have not had sufficient research in Canada, and viewing the estimates of expenditures by other countries on research I would say that we have allocated a smaller proportion of our gross national product to research than many other countries in the western world. We in this country have a great and varied storehouse of natural resources. In fact I believe it is fair to say there are few countries in the world in a better position to carve a great economic prosperity through research and technology than Canada. To no small degree our economic stature in the future will depend on the nature and degree of our research, and the manner in which research findings are utilized. I would point out that these general observations on research would apply not only to forestry but also to many other industries.

The industries and the national economies which put a premium on research will do the best in the years that lie ahead.

Dr. E. W. R. Steacie, president of the national research council, when speaking at the opening of the addition to the Imperial Oil research laboratories at Sarnia in January of this year said:

> Any industrialized country that does not allocate to research a proportion of its national effort comparable to that of the most advanced nations will be unable to maintain its position in the world.

Later in his speech, when referring to the rate of growth of organized scientific activity, Dr. Steacie said:

> As yet, however, there is no sign that the rate has started to decline, and one must conclude that any country which does not increase its expenditures on research at a comparable rate will ultimately face a deterioration in its world position.

This item for a further amount of $80,000 for forestry research is one with which I can agree. In a country where research needs increased attention, both on the part of government as well as industry, it is good to see a lead being taken by the federal government. We must have a greater emphasis on research and an increase in desirable jobs. Otherwise

this country will lose some of its best trained people. In this connection I would point out that in 1959, of the 90 science-trained doctors of philosophy who left the national research council, only 16 remained in Canada.

Research is not only for industries which are not as successful as they might be. It is also essential for industries that are successful today and hope to maintain their competitive position for tomorrow. In no case is this truer than in that of the forest industries.

There is no need to comment on the value of forest industries to the Canadian economy. In the newsprint industry alone 127 pulp, paper and paperboard mills across the country not only provide 47 per cent of the newsprint supply of the free world and account for 4.3 per cent of our gross national product, but they furnish the basic materials for almost another 450 mills providing employment for our people.

The importance of this industry to the economy of Canada was well expressed in a speech made last March by the minister to the Canadian forestry association in which he said that the aid which he expected his department to give to the forestry industry would include research relating to the utilization of forest products. Then he went on to say this:

> "The public must be awakened", said Mr. Flemming, "to the realization that the forest resource is Canada's vital concern, without which the standard of living would be very drastically depressed, and without which the whole economy might well crumble".

The basis for the forest industries in Canada—as of course it is everywhere else—is the raw material which our forests are able to provide. Much research will be necessary if we are to ensure adequate supplies of present plant capacity and also for increased capacity in the future. This is true for Canada in general and I think it is particularly true for other regions of Canada, particularly the Atlantic provinces.

It has been estimated that the forest industries of Canada can provide another 125,000 jobs. To do this there will be need of research. There will be need of research to appraise our present capacity and how it can be used to meet future needs. There will be need of research to develop the most effective and efficient use of wood. Research will be needed to provide new and improved methods of protecting our forests from the ravages of fire, insects and disease. Again, research will be needed to acquire more knowledge and positive information regarding tree genetics, tree improvements and artificial tree generation.

In the Atlantic provinces there are 80 million acres of forest land, most of which is accessible. This is a tremendous benefit to the Atlantic provinces because the forest industries play a major role in the regional economy. Over 20 per cent of the total production of the Atlantic provinces comes directly from forest industries. In the years ahead the economy of the eastern provinces will rest largely on the expansion of these industries, provided the supply of raw material can be maintained. In my view this will largely depend on the results of research by governments and by the industries concerned.

In my own province of Newfoundland the forest industries, particularly the newsprint industry, form the backbone of the economy of the province. They provide about 25 per cent of the total value of all production. The newsprint industry in Newfoundland is not only vital to the areas in which newsprint plants exist, but also to the whole province. Much research and careful implementation of resulting programs will be needed if wood supplies are to be sufficient for present capacity and proposed new capacity. I believe that only research can give the necessary directed activity.

In recent years there have been research projects to accumulate information necessary to any reforestation program. Tree planting and direct seeding projects have provided invaluable data regarding where reforestation is necessary and where it is likely to succeed. These projects, originating in 1950, have been directed in part to burned-over areas to determine the assistance required in different regions for the forests to reproduce in a satisfactory manner. In view of the abnormally large increase in burned-over areas, particularly in the last year, I would hope that both these projects would be given further consideration and attention.

Mr. Chairman, of particular importance at the present time is the need for research into the insect infested forest areas of Newfoundland. While we do have serious infestation in certain areas by the hemlock looper, the spruce budworm, the balsam fir sawfly and the larch sawfly, it is with the balsam woolly aphid that I would like to deal briefly. Insect surveys are not new to Newfoundland. In 1925 Dr. J. M. Swaine made an inspection trip across the island. It is interesting to note that at that particular time no mention was made of the woolly aphid in Newfoundland.

A few days ago when my hon. friend from Grand Falls-White Bay-Labrador was referring to this problem he too was concerned about infestation in the forests in his own area. Reading back over the history of research in Newfoundland I note that although there were some writings by Dr. Swaine in 1925 there were no further reports until 1937 following the Newfoundland insect survey of

1936. I do not have the full text of that report, but the information I do have leads me to believe that again there was no mention of the woolly aphid in the forests of Newfoundland. The purpose of this survey in 1936 was to get some idea as to where the outbreaks were and to identify the insects responsible. In 1934 Mr. C. C. Loughlin was appointed as the first insect officer, sponsored by Bowater (Newfoundland) Pulp and Paper Mills Ltd. and the Newfoundland forest protection association, an association, incidentally, which in 1960 celebrated its 50th year of commendable forest activity.

Following a survey made in 1949 by officials of the forest biology division at Fredericton, New Brunswick, Mr. W. J. Carroll recommended, in particular, the conducting of a special study of the infestation of the Newfoundland forests by the balsam woolly aphid. While this was the first occasion that this insect had been identified, it would appear that it had been introduced into the southwestern part of Newfoundland by about 1930. In 1955 a forest biology laboratory was constructed at Corner Brook, Newfoundland, and since that time a good deal of useful information has been compiled under the able direction of Mr. Carroll.

Today the woolly aphid poses a serious threat to the health of the Newfoundland forests. The woolly aphid attacks only true firs, but the balsam fir is particularly susceptible to damage. This particular species of tree comprises about 75 per cent of the softwood stands in western Newfoundland and about 60 per cent of those stands in central and eastern Newfoundland.

At the present time infestation on the Burin and Avalon peninsulas is not severe enough to be considered as an immediate threat. This infestation is spreading at an approximate rate of 10 miles per year, which I understand is double the rate in the maritime provinces, with the resulting danger of a spread into the wider areas of central Newfoundland. It is known from surveys that were made last year that there are now about 3,000 square miles of forest land in Newfoundland infested by the woolly aphid. Possibly I can best give the committee an idea of the rapid spread of this insect by quoting from a paper prepared by Mr. W. J. Carroll and presented to the annual meeting of the Canadian institute of forestry held in Corner Brook in November, 1961. The writer states on page four of his paper:

> An indication of the rapid development of the Humber valley outbreak is shown in survey plot records from near Steady Brook. The plot is located in an immature stand of balsam fir and is fairly typical of stand conditions in most of the Humber valley. In 1959, 72 per cent of the trees showed no visible injury. In 1960, 5 per cent were uninjured and in 1961 only 1 per cent. Trees in the moderate to severe damage class changed from 1 per cent in 1960 to 29 per cent in 1961.

This is a problem of increasing seriousness and one which merits the attention of the appropriate department of the provincial government and the pulp and paper companies on the island as well as the lumber companies concerned. I also hope that this program will receive priority in any forestry research undertaken by the federal government.

Mr. Granger: I should like to associate myself with the remarks made by my hon. friend from Humber-St. George's. He has given an account which is quite clear and I hope the minister will show the interest in this problem that he has already shown with regard to our other difficulties. I remember that last summer when the fires were raging in Newfoundland the minister came to Gander and showed a personal and a knowledgeable interest in our problems there. At that time, as hon. members know, we had lost huge areas of timber through forest fires. The minister has first hand knowledge of these fire-blackened areas; he knows how difficult it is to grow trees again on areas which have been burned over.

Our two great problems at the moment are recurring forest fires and the threat of the woolly aphid. I should like to thank the minister for a copy of the paper entitled Reforestation and Research in Newfoundland. Among other interesting information in this paper is an account of how difficult it is for trees to be grown on areas which have been burnt over. I should like to suggest, if such a suggestion need be made, that research be conducted into the possibility of reseeding or re-afforesting these areas. It is my belief that the adverse effects of these fires will become more apparent within two or three years than they are at the present time, because the absence of this timber, which is the basis of the livelihood of so many people, when fire-killed wood has been cut, will then be felt severely. Here is a problem which I trust the minister and his department will attack with the zeal in research which is necessary if what is apparently, at the present time, a great tragedy is to be averted. The adverse effects on the economy could at least be mitigated if we could find a means of successfully replanting these devastated areas. Research into preventive measures is, I agree, of even greater importance, although a cure is important, too, in view of what happened last year and the destruction which occurred.

In relation to preventive measures, research into the best type of aircraft capable of being used for water bombing is a field of great importance. We should try to determine

whether land-based aircraft or water-based aircraft are most effective for dealing with fires. Actually, research in all its phases is important because we have outgrown what I might call the pioneering attitude toward our forests. Nature was good to Canada; nature was even prodigal in supplying Canada with resources, and I am afraid that in the early days our own attitude toward these resources was prodigal also. But we have reached a point where conservation and the replenishment of our resources is necessary if we are to maintain our supplies of wood products. In these circumstances, money spent on research is well spent.

Mr. McFarlane: There are just one or two matters that I would like to bring to the attention of the minister while the committee is dealing with this vote. The first has to do with the compulsory grade marking of lumber. At the present time this is due to come into effect on April 1 of this year. I am in agreement that lumber should be graded and stamped accordingly, but at the present time the only recognized grade marking comes under the control of the interior lumbermen's manufacturing association of British Columbia. Even properly graded lumber is not acceptable to the national housing authority or to the C.M.H.C. if it has not been stamped by a stamp issued by the interior lumbermen's manufacturing association. This process is very expensive for the smaller mills of which there are a great number in British Columbia. They must either join this association or content themselves by selling rough lumber to the larger companies. At the present time there are just not enough men in British Columbia to undertake all this grading work. This is evident from the large number of advertisements appearing in papers throughout the province asking for men with the proper qualifications for this work. I have had considerable correspondence on this matter and I learn that even certain companies are not accepted by the I.L.M.A. They are not recognized and their grade stamping is not recognized. I have heard from one concern, the California lumber inspection service which applied some months ago for recognition by this lumber manufacturers' association, but even after volumes of correspondence and questionnaires they are still waiting for a reply to their request. Therefore, it appears that the interior lumbermen's manufacturing association has a monopoly over the grading of lumber in the province of British Columbia.

A great number of our smaller mills—and we have a large number of smaller mills in the province—are not members of these larger organizations. One reason for this is that it is very expensive to join and the smaller mills working on small tracts of timber are not able to afford to join these larger organizations. It is considerably more costly to obtain the services of one of these companies which perform grade stamping. It does not seem fair that any one association should be able to carry on a monopoly of grade stamping. The smaller organizations feel they should be able to choose how and by whom their lumber will be graded. The situation at present is that the smaller lumber concerns are being forced to join associations of which they do not wish to become members.

I bring this matter to the minister's attention and point out that I recognize that the grading of lumber is an art, but at the same time the grading is only as good as the eye of the man who grades the lumber. Therefore a stamp on the lumber is only as good as the grader who grades it. I feel some consideration should be given at this time to making some arrangements with the smaller concerns so that stamps can be made available to them either through Central Mortgage and Housing Corporation or the government itself. The government could issue licences and stamps to the smaller mills so they would not be forced to go to the more expensive mills in British Columbia.

Mr. Flemming (Royal): Mr. Chairman, in all the observations which have been made there are undoubtedly many useful suggestions and many proper inquiries, so I feel at this time it is fitting that I make some observations in connection with what has been said by various hon. members this evening. If I do not refer specifically to every point that has been raised I urge the various hon. members who raised the points not to be discouraged and not to hesitate to bring my oversight to my attention in a personal way.

I wish first of all to refer to the question raised by the hon. member for Kenora-Rainy River with respect to the preservative to be used in connection with wood. In order to make a somewhat brief story of what could be rather extended remarks I can assure the hon. gentleman that the Boliden salt process —which I am sure is very well known to you, Mr. Chairman—has received a great deal of attention. It is something that is receiving more and more attention each day. The particular division of the department in charge will take under consideration the comments which have been made by the hon. member. Personally I am not an expert on penetration. I do not know whether .55 is enough or whether it should be .65 or whether the United States standards should or should not be rigidly adhered to, but I do assure the hon. gentleman that the director of the forest products research branch in the department is an expert in this type of treatment and I assure

the hon. member for Kenora-Rainy River that his representations will be brought to the attention of Dr. Jenkins.

I was interested in and I must say very pleased by the remarks made by the hon. member for Comox-Alberni because in my opinion, as my hon. friend said, the utilization of sawdust does represent a definite breakthrough so far as up to the minute advance is concerned. The hon. gentleman referred to the utilization of a very large percentage of the total product of the forest as it is represented by what is ordinarily known as sawdust.

In my young days in connection with saw milling, sawdust and the disposal of sawdust were terrible problems. The hon. member for Comox-Alberni mentioned that a $50 million or $60 million extension of an existing plant will come into being which will be based on the use of sawdust as a raw material from which kraft pulp will be made. I think this is a tremendous step, and as the hon. gentleman said it will have the effect of preserving the forest and making us more competitive. I am sure this is extremely important news for the forest industry in general.

I remember very well the question of the use of cedar which was brought to our attention more than a year ago. We were asked to give it concentrated effort and this has been done. If I had been requested to make an observation or guess about which of the two problems was the more difficult to solve—that is, finding an answer to the question of the more extensive use of cedar and finding an answer to the question of what could be done with sawdust—I would have said that the use of sawdust represented the more difficult problem. Yet we find that a plant based on the utilization of sawdust is practically assured at this time. I can only say to the hon. gentleman that efforts will continue so far as the use of cedar is concerned. Perhaps there might be a little more co-operation between the province of British Columbia and private industry and perhaps the research directed toward that specific problem by the department could be intensified. Toward that end I assure my hon. friend that I will cause some more inquiries to be made with a view to seeing whether we can have a little more concentrated effort.

I visited Vancouver within the last year or so and was greatly impressed by the calibre of the men who are working in the forest products laboratories. I am sure they are excelled by none engaged in similar work anywhere in Canada. If we had similar people engaged in this work in the maritimes probably they would be, but we do not have people engaged in work of that nature down there. In any event I have some understanding of the problem and my hon. friend may be sure we will continue to work toward accomplishing something more specific in connection with it.

I was keenly interested in the remarks of the hon. member for Humber-St. George's in connection with research. We in the maritimes are most interested in research because our trees are not large in size. I believe we have to look to research as a means of achieving more production per acre in the future. I recognize the value of what he has said about the problem of reforestation, to which problem the hon. member for Grand Falls-White Bay-Labrador also directed our attention. Since the most disastrous fire of last year this problem has seriously occupied the attention of the department, as hon. gentlemen may have noted by the paper on the subject that has been released. That is a start.

I know something about the newsprint industry and I have some conception of its value to Newfoundland. I am not very conversant with the problems arising from the blight of the woolly aphid that has affected the balsam. I do know it is recognized by those in our department who are charged with that special responsibility as being a particularly difficult situation. Efforts are certainly being made toward improvement in that respect. I was very much impressed, though I must say not very favourably impressed, by the remarks that were made in connection with the steady progress that has been made by this particular pest or insect or call it what you like. I can quite understand the concern of my hon. friends opposite. We cannot promise any miracles because the days of miracles may be pretty well over as far as forests are concerned. Perhaps they are not; in any event, we will hope for the best. But I do assure hon. members that the department and those connected with it are very conscious of the importance of this matter and they are also very conscious of the difficulties in connection with it.

The hon. member for Kootenay East referred to grade marking. I can quite understand his concern in connection with this matter. A day or two ago I was at a luncheon where representatives of the lumber industry from the Atlantic to the Pacific were gathered. There were something like 50 or 60 present. Two of them were from the interior of British Columbia. I believe it was the interior lumbermen's association with headquarters at Penticton that was represented thereby two of the men who are specially charged with the responsibility of exercising some supervision over grade marking.

I mentioned the matter to them and they were both quite satisfied that the situation would be dealt with and would be dealt with in a way that would not cause any particular hardship to small mills. If my hon. friend will discuss the matter with me on some other occasion, we will try to get something a little more specific than that. I do know something about that situation with respect to the province of Newfoundland because, as hon. members perhaps recall, recently the hon. member for Bonavista-Twillingate raised the point in the house. I find that the government of Newfoundland has been communicated with in order to have some of their staff get in touch with the maritime lumber bureau to obtain the necessary knowledge, even though this does involve a trip to Fredericton or some other place where there are courses in grade marking. The purpose is to train a few of the representatives of the department of forests of the province of Newfoundland so that the inspection service will be readily available and at moderate cost.

I believe that concludes the remarks I wish to make in connection with the observations made by the various hon. members this evening. There will presumably be a time when the forestry estimates will come before the house again and I would expect to make somewhat more extended remarks then concerning our aims, hopes and expectations with regard to future forestry activities on the federal level. Tonight I will content myself with making these perhaps sketchy observations in connection with the points that have been raised, and I assure all hon. members that if it is their wish to pursue them further with me privately I will be very happy to see them at any time.

Item agreed to.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION
Indian affairs branch—Indian agencies—

618. Operation and maintenance—further amount required, $136,000.

Mrs. Fairclough: Mr. Chairman, these six votes in the supplementary estimates total $1,685,430 and they are all for winter works projects. Of this amount, $500,000 is for the purpose of creating worth-while community employment projects on reserves and the balance of $1,185,430 is for an accelerated works program to speed up regular Indian affairs construction and repair programs so that many projects can be completed this winter, thereby creating much needed employment.

The community employment program of $500,000 will cover such projects as clearing and brushing of new or existing roads and rights of way in order to improve the transportation facilities. Other projects include cutting fuel wood for indigents, improved forestry stands, cutting sawlogs for housing, clearing and cleaning reserve sites, building docks, improving irrigation works and many others.

The accelerated works program of $1,185,430 will provide employment mainly in the construction and repair of schools, Indian houses, community halls, warehouses, sidewalks, docks, et cetera, the renovation of water, sewage and irrigation systems and the operation of sawmills and other worth-while projects. It is estimated that 5,811 Indians will be employed across Canada under the winter works program.

In addition, Indian bands with sufficient funds are participating in the winter works incentive program sponsored by the Department of Labour. As of January 12, 1962, 42 separate projects have been approved totalling an expenditure of $270,000 and employing approximately 780 Indians in addition to the 5,811 I mentioned previously.

Miss LaMarsh: Mr. Chairman, dealing with this item in particular I should like to talk about one aspect of the economic development of Indians and in particular the Indians on a certain reserve in British Columbia. It is part of the Skeena reserve. This afternoon I took the opportunity on the orders of the day to ask the Prime Minister a question which he referred to the hon. lady who then gave permission to any interested member of parliament to go to the Indian affairs branch and look at certain documents. I took advantage of her very kind offer and as a result I have certain information I should like to lay before the house which was obtained from that source, as well as other information obtained from other sources.

Mrs. Fairclough: Mr. Chairman, if I may interrupt for a moment, while the matter which the hon. member wishes to discuss is, of course, extremely interesting it does not properly come under these estimates and, as I explained this afternoon, we are investigating the particular matter which was brought up. While the award was given it is not yet operative. There are certain matters to be completed before it can be operative. While I have no objection to the hon. member continuing with this matter, it seems to me that by the time the main estimates come up we will have much more information. Right now we are discussing something that has not even begun to operate yet. As I say, if the hon. member wishes to continue I have no particular objection but the matter certainly is not pertinent to the votes we are considering.

Miss LaMarsh: With respect to the hon. lady's remarks, may I say that the matter does concern Indian training in large part, and since the minister did indicate this afternoon that the matter will be looked into it may well be there is considerable information which is not in her possession and which if given at a later time on the main estimates might not be of as great assistance as it would be now. Therefore I should like to discuss the matter as it involves a situation which has been in existence for the past year.

The Deputy Chairman: Order. Perhaps there is a certain responsibility resting on the Chair in connection with this problem. I find on reading the items in the estimates here that they relate to repairs and upkeep of buildings and works, and community employment projects. The difficulty I am going to have is that if I allow the hon. lady to continue discussing the subject she has chosen to introduce on these estimates, I am going to have a problem ruling against other hon. members who might wish to comment on the same subject, perhaps even the hon. member for Skeena to whom she has referred, although he is not in the house at the moment. If he were here, undoubtedly he would want to make a contribution to the debate.

I ask the hon. lady, therefore, to co-operate and see that she does not make my job too difficult, realizing that another opportunity will arise, perhaps more than one opportunity, to discuss this subject. For instance, the first item of the main estimates of the department would be one opportunity, and then orders of the day might be another. I would ask her to co-operate. I will listen very intently to what she has to say and if I can relate it to the item, I shall do so. If other hon. members of the committee do not interrupt, she may proceed.

Mr. Chevrier: I should like to speak to the point of order, Mr. Chairman. It is a point which you have raised, yourself, but which the minister has not seen fit to raise. Your Honour has referred to the fact that this matter could be discussed on another occasion, namely during consideration of the main estimates. The point is, and I submit this to you respectfully, that it can be raised under this item now.

The reason I make this statement is that the first item under discussion in these supplementary estimates concerns Indian agencies, operation and maintenance. It would seem to me that the hon. member for Niagara Falls is dealing now with a matter concerning an Indian agency, and concerning the operation and maintenance of one of these agencies. Next, the minister herself, when posed a question this afternoon, made it quite clear she had no objection whatever to giving certain information to any hon. member in this house. The hon. member for Niagara Falls took advantage of that and got some information on the assumption, surely from what the minister said, that she would be able to discuss it tonight. Again, from what the minister said this evening, she indicated she had no objection to this matter being raised.

It seems to me, and I say this with respect, if there is a possibility, as I submit to you there is under this item, the hon. member should not have to wait until such time as the main estimates are up for discussion. As the committee knows, the main estimates might never be reached. This may be the only opportunity hon. members of the committee will have to deal with the matter. Since the minister has at her disposal two of the officers of her department, it would seem to me there should be no objection on the part of the minister and I do not believe there is. I submit there should be none on the part of the Chair to the discussion of this item.

Mrs. Fairclough: Mr. Chairman, possibly I could clarify the situation by saying that the vote under which this particular matter should come is that which is noted in the estimates as "Reserves and Trusts". It is vote No. 58 in the main estimates. The votes which are affected by these supplementaries are votes 56, 57, 59, 60, 61 and 63. I hope that clarifies the matter.

Miss LaMarsh: I take it, Mr. Chairman, I may discuss the matter which I raised.

This matter arose, Mr. Chairman, from the fact that about a year ago, in May, 1961, certain individuals in the province of British Columbia were interested in ascertaining whether or not there was in this particular reserve, which has been called Tsimpsean Indian reserve No. 2, timber available for cutting. Certain companies, or a company at least, began to write to the Indian affairs branch on the west coast and to the Ottawa offices with respect to it. I am informed that the timber in question had been offered by public calls for tenders on two earlier occasions, in 1954 and 1956. I believe the offer covered all the timber which was located in this particular area. However, at that time no offers were received. The stand of timber in question is of various types, Mr. Chairman. It is partly hemlock, partly spruce, partly balsam, partly cedar and is of varying grades.

In 1956 a certain company known as F. J. G. Johnson and Associates Limited of Vancouver was employed by the Indian affairs branch to do certain work with respect to this reserve and other reserves in British Columbia. He

recommended to the department a rate of dues to be charged on all of the Indian lands in British Columbia. Subsequently, in 1958, the Indian affairs branch hired this same company for a period of three years, on a one-year contract annually renewed, to cruise timber held by the Indians and thereby held in trust by the department, throughout British Columbia.

One of the chief individuals of this company is a man named F. J. G. Johnson. One of his employees during the time when the timber was being cruised by F. J. G. Johnson and Associates Limited for the department was a man named Brett, a man who now is employed by the department as a forestry officer in the city of Vancouver. Mr. Johnson was employed, through his limited company, until March 31, 1961. The day following, April 1, 1961, Mr. Paul Brett his former employee, was employed by the branch as a forester in British Columbia. Within a matter of a few weeks, certain companies began writing to the department to inquire about the sale of this timber. On May 18, a company known as Beaufort Industries Limited, Vancouver, wrote to the department in Vancouver asking whether this timber might be purchased. This was on May 18, 1961.

Within a matter of two weeks, May 30, 1961, Mr. F. J. G. Johnson, on the letterhead of his company, was writing to a number of companies, in particular the Westport Export Company of Vancouver, offering to peddle the information that he had obtained as an employee of the department. He offered to sell this information and indeed offered to ask, on a minimum fee basis, to negotiate the purchase of this timber from the department. He suggested that negotiations be conducted directly with the superintendent and the bands and chiefs council, with regard to Tsimpsean Indian reserve No. 2, which had previously been advertised for sale. He suggested that the regional office of the department of Indian affairs in Vancouver be approached—

Mrs. Fairclough: May I ask the hon. member from what document she is reading?

Miss LaMarsh: I read from a photostat of a letter signed by F. J. G. Johnson on his letterhead. It is directed to the Westport Export Company.

Mrs. Fairclough: To whom?

Miss LaMarsh: To the Westport Export Company.

Mrs. Fairclough: May I ask further if this is a document which was gleaned from the files of the department?

Miss LaMarsh: I did not see it in the files of the department, if there is one there.

This timber was offered for sale, as I said, by Mr. Johnson who had, within the two months previously, terminated his employment with the department, on the basis of information which he learned as an employee.

He concludes his letter with this phrase, that every effort will be made to bring all negotiations to a speedy and successful conclusion. In addition I am informed that Mr. Johnson attempted to raise money in the United States to purchase timber rights on this particular land. In any event the company to which he wrote, Westport, was not interested in such a peculiar transaction and therefore refused.

At the same time Beaufort Industries Limited, which had written originally to the department, asked whether this timber was for sale and was advised that there were approximately 1 million board feet for sale, being virgin timber, over mature and lying approximately one mile from the sea. It was indicated in a letter written at that time, dated May 24, 1961, that such timber had been advertised previously but no offers had been received. It was suggested by the Indian superintendent, and a copy was sent to this individual, that Beaufort Industries Limited consult Mr. Paul Brett, the forester attached to the British Columbia office.

Subsequently Beaufort Industries was in consultation with the department and received a letter dated June 7, 1961, from the acting Indian commissioner for British Columbia, in which a quotation was made that there were approximately 113 million board feet of hemlock, spruce, cedar and balsam which was over mature. It also pointed out that logging chances were fair and that road and transport routes were difficult. It was further pointed out, and I read from page 2 of the letter:

> The Indian affairs branch is presently interested in receiving competitive proposals to cut and remove the timber using Indian labour wherever possible.

Accordingly Beaufort, on invitation to submit a proposal, did so in writing. Before doing so they wrote to the department and asked it the department had any set figure, and under letter June 9, 1961, they enclosed a number of documents setting out the prices which had been paid in the immediate area for timber in recent months.

At this point I might say that Beaufort Industries Limited is a company of all Canadian directors and shareholders, located in Vancouver, and has been cutting timber for a long time in the Tsimpsean I.R. No. 2 reserve, in the reserve area, and cutting it very successfully. It has been exporting this

timber to Japan, particularly low grade timber for the construction of such things as orange fruit boxes.

When the had written to the department asking for prices they received a letter back again from Mr. MacGregor, the acting superintendent for British Columbia, on June 9, 1961, and he advised as follows:

> We regret to advise you that the branch may not offer timber in the above quantities to individual companies. Ordinarily such timber is sold by closed tender on advertisement as a general offer to the public.
>
> As it was pointed out to you, however, the branch cognizant of the particular local problems of the area, is receiving all competitive proposals to cut and remove the timber using Indian labour wherever possible.

This will indicate that while the department's usual practice was to request sealed bids, in this particular case since the branch knew of the local problems of the area individual offers were requested. Accordingly, after the passage of some time, in August, 1961, Beaufort Industries in writing sent to the Indian affairs branch in Vancouver a firm offer of $7 per 1,000 board feet of measure for all merchantable species. They indicated as well that they had intended to do this logging with Indian labour in all possible phases. In addition they offered to replant at the cost of the company to the same state as the original stand, concurrent with logging operations, and this would be done by Indian labour. They also offered that operations were to begin within 12 months and were to be completed within 10 years. They also offered a $25,000 deposit, which was the largest deposit required for provincial timber sales in British Columbia.

Subsequent to that firm offer which had been sent to the department in which Mr. Brett was the forester, and after a representative of that company had visited Ottawa and talked to representatives of the Indian affairs branch, they were informed that the department was designing a contract and proposal for the removal of the timber and subsequently it was the intent of the department to discuss it with Beaufort Industries and other interested companies with a view to the operation.

Subsequently by letter dated September 12, 1961, Beaufort Industries Limited made an addition to their offer which was to provide to the branch a maximum sum of $200,000, being $10,000 per year for each of two employees employed by the department, a community planning officer and a forest supervisor and co-ordinator, each of which officials should be employed and under the direct control of the department.

One of the proposals made by Beaufort would require a logging road, some 10 miles in length, to be constructed from Fort Simpson, which is one of the dwelling places of the Indians, to an inlet called Tuck Inlet, whereby for the first time the Indians of that reserve would have safe passage from the northernmost parts of their reserve to the south and to Prince Rupert. As at present, these Indians are unable to travel through the land and must travel only by the Chatham sound, in very rough water and sometimes in very bad weather. However the road which Beaufort Industries was prepared to build—admittedly for its own purposes it was a logging road—would be good for at least 10 years, would remain the property of the Indians and would provide them with complete access through their reserve.

The Indian affairs branch, however, said that such a road could not or should not be built, notwithstanding the fact that the amount intended to be used was $500,000 by the Beaufort company. Indeed any proposal to build such a road would be entirely at the expense of the tenderer, and at no expense to the Indian affairs branch. Accordingly such an offer was made and, as I said before, there was an offer made to replant whatever timber was cut. This was done for two purposes, one to provide for effective regrowth, and second, to provide psychologically for the Indians by showing satisfactory proof to them that there would be no raping of their forests and that their children and grandchildren would again have forests to sell.

There was considerable discussion between representatives of Beaufort Industries Limited, and Mr. Paul Brett, the district forester, and he said that he recommended against reforestation. I am further advised that Mr. Johnson, who made the original cruise under the employment of the department, also recommend against reforestation and said it would regenerate naturally. In that connection it was interesting to listen to the remarks made during the last vote and hear those hon. members interested in forestry talking about the necessity of replanting; yet here we have a departmental forester who says it is not necessary to replant.

I am informed by a representative of the branch that in addition the forest officer in Ottawa checked with the executives of other companies with respect to this question of reforestation, as it became important later. We are now at the point where this firm bid has been put in writing to the department and has gone through Mr. Paul Brett's hands. Then there was a call for tenders made on September 15, 1961. It was sent out to the Beaufort company and to another company, Shoreline Lumber Limited. Shoreline Lumber Limited was, according to the

records of the registrar of companies in British Columbia, incorporated only on July 14, 1961. Its directors are most interesting. They are John C. Cotton, an American of Ashland, Oregon; Frederick J. G. Johnson, of North Vancouver, the same man employed by the department and the man who prepared the cruise map which is part of the tender; and Thomas E. Ladner, also of Vancouver, who I am informed is the son of one Leon Ladner, who is probably known to many of my hon. friends opposite as the chief fund raiser of the Conservative party in Vancouver. These three individuals incorporated a company in July of 1961. In December of 1961 the department issued its call for tenders. The original advertisement for tenders, and that which was sent to those who had become interested, said that tenders were to be handed in on January 16, but at the request of the Vancouver office—I am informed, at the particular request of Mr. Paul Brett, who as I pointed out was formerly an associate and employee of Mr. Johnson—it was delayed and the advertisement was changed to read for February 13. No notification was given to the Beaufort company that there had been a change in the date called for tenders.

On February 13 Beaufort's representative appeared in Ottawa with a written offer, and at the same time the offer of Shoreline Lumber Limited was received. The agent of Beaufort company was present with the officials of the department and the tenders were opened in his presence. He was told by the senior official opening the tenders that Beaufort had won the tender. In Beaufort's tender certain figures are produced. The department has made a point of the fact that it was not in the exact form of their original tender. In Beaufort's tender the price to be paid was $2,237,925. This sum was in cash and in kind and is set out in a separate memorandum attached. With the offer sent in by Beaufort was their certified cheque for more than $59,000 as was required in the offer. The only other bid that was received was from Shoreline Lumber Limited, which totalled $792,000 plus some fringe benefits.

When one reduces the items to indicate exactly what was offered, one finds that Beaufort had offered certain upset prices plus other sums, $200,000 of which they were prepared to pay to the department for economic development for the Indians, plus the value of the $500,000 road which would be a permanent benefit to the Indians, plus the fact that they were bidding not on the timber which was shown only on the map prepared by Mr. Johnson at the behest of the department and upon which Mr. Johnson had bid, but in fact upon low grade timber as well, which would have brought an additional cash benefit to the Indians.

When the tender was first put out it contained an interesting provision, which was that it was the desire of the department that Indians on this reserve should gain maximum benefit from this sale, including the opportunity to acquire skill, and other permanent benefits. Under the Beaufort bid they would have obtained cash for the sale of considerably more timber than under the accepted bid. They would in addition have obtained a permanent road, two permanent employees for 10 years, and they would have had considerably more timber cut.

Not insignificant is the fact that with the road they would have had a certain safety factor which does not now exist. In addition to this they would have had employment and the additional benefit of having the forest replanted. However, notwithstanding the fact that on February 13, 1961, Beaufort was advised that it had won the contract as high tenderer, under the date of February 21, 1961, they received a telegram from the officer in charge of reserves and trusts in Ottawa saying that they were a low tenderer, that Shoreline Lumber Limited was high tenderer and had won the bid. On the same date their cheque was returned to them. This was confirmed by letter.

On the same date Mr. Boys, the Indian commissioner for British Columbia, wrote to Chief Sampson of the band and advised him that the department had accepted a conditional tender. In fact the tender which was accepted from Shoreline—this is the company with Johnson and Ladner and this American—contains the proviso that the tender is submitted on the understanding that logs removed from this Indian reserve would be allowed to be exported, and if to the contrary the bid was withdrawn.

This to me, and it must be to many hon. members in this house, is a considerable shock, that when two tenders are placed before the department, the department accepts a conditional tender. This was repeated, as I said, in the letter which was written by Mr. Boys to Chief Sampson, where the price which had been paid was indicated and also that the earliest start of logging activity would be the spring of 1963. This very important proviso was also contained in the tender:

> In addition Shoreline Lumber Limited do not intend to execute the contract until such time as they secure a permit to export the timber, where approval of this matter will not unduly delay the project.

An interesting thing occurred. In so far as the Shoreline bid was concerned there was a very detailed plan with respect to the economic development of the Indians and it was

the opinion of the Indian affairs branch that this company, which had never been in existence before last July, knew considerably more about the Indians on this reserve than anyone else. In fact it should be remembered that Mr. Johnson—and Mr. Brett had been associated with Mr. Johnson—the chief forester of the Vancouver office, had been sent by the department to the reserve in the fall of last year with another gentleman, Mr. Addison, who is the chief placement officer for British Columbia, where apparently they drew up an economic proposal. That economic proposal, being one which is solely within departmental jurisdiction, is not available. Therefore there can only be speculation as to how closely that proposal parallels the proposal which turned up in Johnson's bid which was accepted.

I should like to once more draw the attention of hon. members to the stunning regularity with which Mr. Johnson's and Mr. Brett's names come up again and again. Mr. Johnson had been Mr. Brett's employer. Mr. Johnson did the cruise in 1959 in this timber reserve. On March 31, 1961, Mr. Johnson left the department. The next day, April 1, Mr. Brett was hired. Mr. Johnson recommended the dues to be charged. Mr. Brett recommended the upset prices. Both recommended that there be no reforestation planning. Mr. Johnson tried to sell the timber to other individuals. Mr. Johnson was a member of the company which was incorporated. Mr. Brett was the one who at the tenderer's request delayed the job for call of tender. Mr. Brett went to the reserve to look up the economic problem, and Mr. Brett saw all the correspondence at all times.

This could be a matter of argument between businessmen, but it would appear that all of the gentlemen concerned are supporters of the party of the hon. lady opposite. There are no supporters of my party, or at least there were not until relatively recently, among these individuals. I would suggest, however, that this is not simply a matter of two individuals one, by virtue of honest bids one against the other, having won, and the other having lost. There is a definite pattern of collusion by an employee of the Indian affairs branch with a former employee. This government has from time to time made a great thing of the fact that—

Mrs. Fairclough: Mr. Chairman, I have hesitated to interrupt the hon. lady although she has been out of order for half an hour, but I do say now that I cannot sit here and let her accuse members of my department of collusion. I ask her to withdraw that remark.

Mr. Chevrier: Mr. Chairman—

[Miss LaMarsh.]

Miss LaMarsh: Mr. Chairman, I do not propose to withdraw. I believe that the hon. lady has no personal knowledge of this whatsoever, but I have photostats before me and in my legal training I have never before in my life seen such an obvious and barefaced collusion.

The Deputy Chairman: Order. I regret to advise the hon. lady that her time has expired.

Mr. Chevrier: Let her carry on.

Some hon. Members: No.

Mr. Winch: Mr. Chairman, I would like to impress upon the minister in charge of this department the utmost importance of having this situation with regard to the selling of timber on the reserves in British Columbia clarified as speedily and as completely as possible. If that is not done almost immediately the effect in British Columbia will be most serious, not just upon the Indians on the reserve but as far as the native Indians of the entire province are concerned.

This matter was drawn emphatically to my attention this morning when at 9.00 o'clock a telegram was delivered to me signed by the chief of the council of the Indians of this particular reserve. I found it almost impossible to believe the information which was contained in that telegram, which stated that as between two tenders for certain timber limits there was a difference between them of almost $2 million in one instance and less than $1 million in the other, and that the bidder offering less than $1 million had been awarded the tender. The Indians, through their chief, had been unanimous in objecting to this type of operation and to this policy and had asked that the matter be investigated immediately. Having received a telegram of that nature I took what I thought was the correct procedure. I at once telephoned the Indian affairs branch to read the telegram to them and ask for whatever information could be given to me. It was about 9.20 this morning when the departmental official told me of the situation. I was asking for information because this telegram had to be answered. I was amazed to be told that the basic information contained in the telegram, was correct. Then the statement was made that the Indian affairs branch was only interested in one thing, namely, to ensure that in the long run as a result of the actions and policies of the department the greatest amount of money and benefit would accrue to the Indians concerned. It was stated that studies had led the branch to believe that in giving the tender to the applicant who had made the lower bid the Indians on this reserve would get the greater amount of money. That was very confusing to me, so I ask hon. members of this committee to

imagine how much more difficult still it would be for the Indians themselves to understand.

Then I was given additional information, and I appreciate the fact that I was given it. I was told that there were a number of differences or discrepancies in the way the tenders were handled. I was told that the tenderer putting in the highest bid—it happened to be the Beaufort people, I believe—had tendered on the basis of six or eight thousand acres of timber which was not to be sold. Without going into detail, I was given to understand that there were two or three other aspects having to do with reforestation. In addition, there was a question of roads. In all, there were a number of matters which were of such a nature that the Indian affairs branch had asked the forestry department for an analysis, and that on the basis of this analysis and the recommendation of a forestry official—I did not get his name, and I do not know it now—this particular decision was reached.

I think, Mr. Chairman, you will agree that at least on the surface this decision does not make sense. It has got to make sense, or there is something wrong. The Indians in British Columbia must have an answer, and they are entitled to that answer now. The only way they can get it is for a presentation to be made by the minister explaining this paradoxical situation and explaining how, according to this decision of the department, the Indians concerned are going to receive the greatest ultimate benefit in services or money.

I shall not continue to make any of the other observations I may have in mind at the present time. The minister knows about this matter; she knows there are some of us who are interested in it, and surely she expected it to be raised. I am going to sit down now, for a few minutes at least, in the hope that the minister will make a start, at least, toward clearing the air and telling the committee the facts behind this extraordinary situation in connection with this timber on the coast of British Columbia.

Miss LaMarsh: Before the minister replies I should like to address a few further questions to her on this subject. Perhaps the minister will advise the committee how it is that the offer made in writing by Beaufort last fall to the department in the amount of $791,000 is so peculiarly close to the offer made by the successful tenderer of $792,000. Perhaps the minister will also tell us how it is that such a conditional offer was accepted by the department. Perhaps she will tell us, as well, how it is that when the department in its tender call said it would not necessarily accept the highest or any bid it did not include certain timber, about 8,000 acres, as the hon. member for Vancouver East has just stated, which had been previously included in two sales offered in 1954 and 1956.

I was today informed by the department that this timber cannot be sold because it was not offered. Yet the same official admitted to me that if it was not sold as one parcel it would never be sold because it would be completely uneconomic to go in and cut low grade timber once the better timber had been taken out.

If this sale is allowed to stand, the birthright of the Indians on this one reserve is going to be reduced by over $1 million because this timber will never be sold. Further, the $500,000 which was to be spent to connect the Indian settlements by a safe passage by road will never be spent—

An hon. Member: Nonsense.

Miss LaMarsh: I do hope the hon. member who said that has looked at the actual contract before crying "nonsense", very much as the Minister of Finance does when anyone stands up in this house. This is not nonsense. The successful bid means there will be three miles of haul road built in from the sea to the heart of the good timber; it goes nowhere near the Indian settlements; it will be of no permanent value at all.

Perhaps the minister can tell us why this is not a firm contract for ten years but only a contract for one year renewable for up to ten years under certain conditions. The successful bidder can get out of the contract if he chooses in certain circumstances, these too having been accepted by the government. All these people have to do is say: we cannot get an export permit. And they do not even have to apply for one. Why is it that the minister, having accepted this bid, has decided to wait and see. I suggest to the minister that if the department knows there is someone interested in purchasing all the timber—and if it has known this since last September—the bids should be recalled and the department should ask for the sale of all the timber on the reserve. I ask the minister to check the peculiar report prepared by the officials of her department in British Columbia against the particulars of the successful tender. I invite the minister to ask herself about the relationship between these two people unless, of course, the hon. lady is not prepared to ask herself because of the fact that there is an American at the head of this company and Mr. Ladner is on the board of directors.

Mr. McQuillan: On a point of order, Mr. Chairman, I do not think the hon. lady is entitled to smear a gentleman of her own

profession simply because he happens to be named to the board of directors of a company. I am sure the hon. lady in her career as a lawyer has frequently been named to the boards of directors of companies.

Miss LaMarsh: Mr. Chairman, I did not say anything about him except that he happened to be one of the directors. If my hon. friend thinks it is a smear to be a director of a lumber company it may be because he has certain further information I do not have.

However, Mr. Chairman, there is one principle concerned. The hon. lady throughout her career has expressed a considerable interest in Indians. All hon. members realize that many of these people are in need of considerable help, that many of them in such isolated places must rely on the good faith of the department, the officers of which are trustees for them, in ensuring that these funds when received are put aside for their benefit. Any training program set up is established by the department for their good. They are used as labour and are trained as far as possible to be skilled labourers. The hon. lady must appreciate that in terms of the following resolution which came forward and which I wish to read to the committee that necessary confidence between this band and the Indian affairs branch is completely destroyed.

This resolution was unanimously passed by band members of the Tsimpsean Indian reserve No. 2 and is dated March 7, 1962. It reads as follows:

1. Regarding the sale of our timber on Indian reserve No. 2 we hereby agree to accept the offer of the company that tendered on February 13, 1962 to build a road from Tuck inlet to Port Simpson as we regard this road as being of the utmost importance to the band's well-being.

2. We further agree to accept this company's offer to replant the areas that are cut and we consider this most important as it will give additional work to members of this band now and to future generations.

3. We further agree to accept this company's offer to remove all the merchantable timber from the reserve at the same price that was offered for the high grade timber and we know that this will substantially increase the cash amount paid to us over any other offer for high grade areas only.

4. We understand that this company's offer is for a ten year period and we will not accept an offer for any lesser period.

In summary, we understand that a tender has been tentatively accepted by the department of Indian affairs in Ottawa that does not include all of the foregoing mentioned in paragraphs 1 to 4 and we are shocked to find that the offer tentatively accepted by the department of Indian affairs was binding for one year only and was for a much smaller amount of timber and had no provisions for replanting or building our vitally needed access and logging road. We feel that some members of the department of Indian affairs are definitely not acting in the best interests of the members of this band and this council now unanimously agrees not to accept any offer that does not contain:

1. Access road from Tuck inlet to Fort Simpson—

That is not in the successful tender.

2. Replanting of areas cut—

That is not in the successful tender.

3. Cutting the largest areas possible and removing the largest amount of timber which will return to the band the greatest amount of money.

That is not in the successful tender.

4. A firm ten-year period.

That is also not in the successful tender. This resolution is signed by the chief and secretary of the band and by six other band members. It is critically important that the minister look into this matter now, that in fact she be able to satisfy herself that it is a proper tender, that she be able to satisfy herself that the Indians who are her charges are the ones who will be benefited and benefited most. I would suggest to the minister that notwithstanding what I am advised by the department it is not necessary to have a surrender with respect to such a one-year contract. I am further informed by the department that there is an old surrender on these lands and that it is not necessary to have the Indians' consent.

I do not know very much about the members of the band on this reserve but I am told that in earlier times they tore up stakes and went after white men who came on the reserve. It is extremely important that their trust be restored. It is also important that the best type of cutting operation possible be carried out on this reserve and I suggest to the minister that this be done.

There is one small matter in which it appears that the department may or may not have been negligent and that is during the fall of last year. After Beaufort was in contact with the department a notice appeared in the British Columbia *Gazette* that another company—I am not positive of its name but I believe it is Prince Rupert Saw Mill—had applied for a licence on foreshore rights on the inlet called Tuck inlet which is the egress ultimately to the sea and which Beaufort intended and had advised the department they intended to use to take out timber, if they were successful in obtaining this bid. It was Beaufort that brought to the attention of the department the fact that anyone who obtained foreshore rights would in fact be giving the Indians access ultimately to the ocean.

There is another significant fact about which the hon. lady may wish to inquire. Why is it that the map prepared by Johnson and associates for the department at the department's expense, which expense, of

course, is reimbursed to the person who successfully tenders, had removed from it the legend showing Mr. Johnson's name? Why is it that when one examines the map one finds a raw edge and the place where the legend normally would appear does not show? It was only when I was able to obtain the original map today that I was able to ascertain that it was in fact the map prepared by Johnson.

Now, if the hon. lady is not alarmed by some of the facts brought out today, if she is quiescent and feels there is nothing to this, that it is simply a complaint taken to the opposition by individuals who unjustifiably feel themselves aggrieved, I can only say that the hon. lady has no business being the trustee for the Indians.

Mrs. Fairclough: Mr. Chairman, although it is almost ten o'clock perhaps I may be permitted to say a few words in view of the fact that the hon. member has occupied almost an hour. My remarks will be very brief. I wish first of all to point out that this item is not one which is in the estimates for consideration today. The question comes under vote No. 58 relating to reserves and trusts and is not contained in these supplementary estimates.

Earlier in the day the hon. member addressed a question to the Prime Minister in reply to which I advised that I had already ordered an investigation into this matter. I might tell the hon. member and the committee that I ordered this investigation prior to March 7, the date of the resolution from the Indian band to which the hon. lady directed our attention. I also pointed out this afternoon that Mr. Boys, the commissioner for British Columbia, will be visiting the Tsimpsean reserve to morrow. After his visit there when the report has been received I will make a report to this house. I reiterate, Mr. Chairman, that this whole discussion thus far has been related to an item which is not even under consideration this evening.

Item stands.

Progress reported.

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

Business of the House

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I ask the house leader what we will be doing tomorrow and Wednesday?

Mr. Churchill: I hope we will be able to complete the supplementary estimates tomorrow, Mr. Speaker, and we could do so, I think, if we gave very close attention to the items that are called. If we do not complete them tomorrow, we will of course have to continue with the supplementary estimates on Wednesday because, as I pointed out to the house last week, certain projects will have to be discontinued for lack of money to carry them on and certain people will go without their pay because the money has not been voted by parliament. I think we have now spent about 10 days on these supplementary estimates and should get on expeditiously with the business tomorrow.

Mr. Chevrier: On that point, Mr. Speaker, we have not spent anything like 10 days on these supplementary estimates—

Mr. Churchill: We have. We had five days in January on them.

Mr. Chevrier: —as the minister has said. In any event, I do not think it is up to the minister to lecture the house on the manner in which these estimates are going to be dealt with by the opposition. We will deal with them in the manner in which we feel they should be dealt with in the best interests of the country.

An hon. Member: Obstruction.

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

[The following item was passed in committee of supply]:

DEPARTMENT OF FORESTRY

Forest research branch—

635. Operation and maintenance—further amount required, $80,000.

HOUSE OF COMMONS

Tuesday, March 13, 1962

The house met at 2.30 p.m.

INDUSTRY

SULPHUR CONVERTING CORPORATION, MONTREAL—INTEREST OR INVOLVEMENT OF GOVERNMENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Prime Minister. Has the Prime Minister been asked by the president of the chamber of commerce of Beaumont, Quebec, to explain the presence of two of his colleagues and eight Progressive Conservative members of parliament from Quebec at a luncheon called to announce a steel complex for the district of Quebec, and is he aware of the statement of the mayor—

Mr. Speaker: Order. Before the hon. member completes his question I wonder under what administrative responsibility the Prime Minister would be asked to explain the presence of hon. members, even hon. members of the government, at a luncheon.

Mr. Chevrier: Since you bring this point to my attention Mr. Speaker, I would point out that yesterday I asked the Prime Minister a question in connection with this matter, which can be found at page 1695 of *Hansard*, and the Prime Minister's reply was:

> I do not know how the hon. gentleman, knowledgeable as he is, knows what knowledge four ministers of the crown had several months ago. All I can say is that there is no basis for any ascription of knowledge respecting this company to the government.

My reply was that the statement was made by the president of the corporation, and now this morning this appears in the Montreal *Gazette*—

Mr. Speaker: Order. I assume there is something in the paper to the effect that the mayor of Beaumont has addressed a communication, but I am not satisfied what administrative responsibility of the Prime Minister is involved in what is so far as I am informed —and I am subject to information on this matter—was a private luncheon, an invitation luncheon.

Mr. Chevrier: Would Your Honour allow me to complete my point?

Mr. Speaker: Yes, I would certainly allow the hon. member to complete his point, but it seems to me he is addressing himself to something other than the point of order on whether it is a matter of public administration that is involved or whether it was a private luncheon party on invitation. It seems to me that it is just left undetermined in the newspapers. If the hon. member can assure me that he takes the responsibility for saying the ministers were appearing in a ministerial capacity involving the government, then I would permit him to go ahead.

Mr. Chevrier: If Your Honour would allow me to complete the question you will see this is covered by the statement I am trying to make. I am asking the Prime Minister whether he is aware of the statement of the mayor of Beaumont that the Secretary of State forecast last December 10 that a steel industry would be built in Lauzon, with business offices in Beaumont.

Some hon. Members: Order.

Mr. Speaker: Order. I still fail to see the connection with the luncheon party. If the hon. member has a question about the building of a steel plant in which the government is involved, perhaps he would ask that question, but I do not know that the representation of a mayor about attendance at the luncheon—

Hon. Paul Martin (Essex East): May I rise on a point of order.

Mr. Hees: Now we are going to get the full treatment. Here it is.

Mr. Martin (Essex East): I want to say that the government's big majority in not going to howl down the opposition.

Some hon. Members: Sit down.

Mr. Speaker: Order. The hon. member for Essex East has the floor on the point of order.

Mr. Martin (Essex East): Thank you, Mr. Speaker, for preserving the rights of this vigilant and active opposition party.

Mr. Fleming (Eglinton): And misguided.

Mr. Martin (Essex East): The question put by the hon. member for Laurier to the Prime Minister had to do with an observation made by the Secretary of State, who is a member of the government of Canada. It may be that in announcing this proposed plan the Secretary of State had in mind certain accommodations and policies which the government of Canada was going to evolve in order to encourage this industry.

Mr. Churchill: What is your point of order?

Mr. Martin (Essex East): We do not know; that may have been involved. Surely the hon. member for Laurier is entitled to ask the Prime Minister if a statement made by one of his ministers in regard to a matter vitally affecting the economy of a particular area in Canada is in order.

Mr. Speaker: Order. I have no objection to such a question, but that is not what the hon. member for Laurier was asking.

Some hon. Members: Oh, oh.

Mr. Chevrier: Mr. Speaker, I have asked my question of the Prime Minister. I expect that he will give a reply.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, if the two of them cannot agree on what the question was, I am sure I am not going to reply.

Mr. Martin (Essex East): Mr. Speaker, on the point of order, I think Your Honour will find that there was no difference in the question and my reaction to the question. The Prime Minister is mistaken—

Some hon. Members: Order.

Mr. Speaker: Order. Whether or not the Prime Minister was mistaken is not a point of order.

Mr. Hees: Just give up; it is a bad day.

(Translation):

[*Later:*]

Mr. Lucien Cardin (Richelieu-Vercheres): I should like to put a question to the Secretary of State.

According to this morning's *Gazette*, Mr. Albert Patry, mayor of the city of Beaumont, stated that the Secretary of State announced at a dinner held in Beaumont last December that a new industry would be set up soon in Lauzon, with offices located in Beaumont. Has the minister any comment to make in this respect?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I am glad that this question is put to me because I felt a while ago that it should be directed to me.

I remember somewhat vaguely of having mentioned that, according to information given to me, a plant would possibly be set up in the Lauzon area, with administrative services in the parish of Beaumont.

I expressed the hope that if this project was sound it would be carried out.

[*Later:*]

Mr. Gabriel Roberge (Megantic): I should like to direct a question to the Associate Minister of National Defence.

What part did the minister take in that affair of the Sulphur Converting Corporation of Montreal and what significance had his presence at the meeting in Quebec city?

Mr. Pigeon: Ask that of the deputy minister who encouraged that in Quebec.

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, on my arrival in Quebec city I was advised that there was a reception. I went to the reception, I sat down and listened; I was rather surprised, I got up and I left.

(Text):

[*Later:*]

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I direct a question to the Prime Minister. In view of the fact that there seems to be serious doubt about the soundness of the project of the Sulphur Converting Corporation, is it the intention of the Prime Minister to warn the people of Canada against the danger of investing their money—

Mr. Speaker: Order. I think the hon. member has misinformed himself with respect to the administrative responsibility of the federal government. The question as I heard it relates to the sale of securities, which is a matter of provincial jurisdiction.

Mr. Denis: On a point of order, Mr. Speaker, as federal authorities and members of parliament are involved I believe it raises a question affecting the public interest, and I feel the federal government might be interested in the project. That is the idea underlying my question.

Mr. Speaker: What the hon. member says about public interest is quite true, but that does not make it a matter of federal jurisdiction. It is a question of law enforcement or the sale of securities, either of which comes under provincial jurisdiction.

Mr. Alexis Caron (Hull): I wish to direct a question to the Minister of Labour. Did the Minister of Labour take notice of a statement by Father Turgeon, parish priest of Lauzon, to the effect that the announcement of this project had brought large numbers of unemployed workers from surrounding districts to Lauzon, who now have to be looked after by the St. Vincent de Paul society? Does the minister propose any immediate measures to come to the assistance of this community?

Hon. Michael Starr (Minister of Labour): That is the first time I have heard about this matter, Mr. Speaker.

Mr. Martin (Essex East): Will you look into it?

(Translation):

[*Later:*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Secretary of State.

Is the minister aware of the fact that a deputy minister in the province of Quebec, encouraged by the minister of trade and industry, Hon. Mr. Rousseau, strongly supported that project of a plant, which was also approved by several former Liberal members of parliament in Ottawa?

(Text):

Mr. Speaker: I am trying to be sympathetic toward these questions about the Sulphur-something corporation. Even if the Secretary of State is aware of the alleged fact, I am still not sure that it is a subject matter for a question at this point in our proceedings.

(Translation):

[*Later:*]

Mr. J. N. Tremblay (Roberval): Mr. Speaker, I should like to direct a question to the Secretary of State concerning the matter which was brought up by questions from certain Liberal members.

Is the Secretary of State aware of the fact that the project in question originated in my constituency and was sponsored by two former Liberal candidates, one Liberal member and seven or eight Liberal organizers?

(Text):

Mr. Speaker: I rather think the last question comes in the same category as the one asked by the hon. member for Joliette-L'Assomption-Montcalm.

POWER

COLUMBIA RIVER—REPORTED STATEMENT BY B.C. PREMIER—LICENCES FOR DAM CONSTRUCTION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on behalf of this rule-obeying group I wish to ask the Minister of Finance a question. Does the minister wish to comment on the statement made in Victoria last night by our unpredictable Premier Bennett to the following effect:

> B.C. won't be bribed by Ottawa into returning Columbia river downstream power to the province. We don't need any of their money. We can finance them both by ourselves, thank you.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I can assure the hon. member and everyone else that the government has no intention whatever of bribing anyone; and if, as the statement seems to indicate, Premier Bennett is not asking the federal government to provide money for some purpose, I think he must be about the only person in Canada who is not.

Mr. Herridge: Mr. Speaker, a supplemental question to the Minister of Public Works. Has the minister received an application from Dr. Hugh Keenleyside, chairman of the British Columbia power commission, for a licence or licences to build the High Arrow, Duncan lake and Mica creek dams in the Columbia river basin?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, this is one matter that the Minister of Finance does not handle; this comes to the Minister of Public Works. Applications have been received under the Navigable Waters Protection Act for permission to construct dams on Mica creek, Duncan river and Arrow lakes; they have just been received from the British Columbia power commission. These applications are now under review by the officials of the department.

Mr. Herridge: Another supplemental question—

Some hon. Members: Oh, oh.

Mr. Speaker: The hon. member for Kootenay East.

[*Later:*]

Mr. Herridge: Mr. Speaker, I have now converted the supplementary question I had intended to ask the Minister of Public Works to a regular one. In view of the apparent cart before the horse procedure of Dr. Keenleyside in dealing with Columbia river matters, will the minister inform the house whether he has been informed that Mr. Paget, water controller for British Columbia, has not to date issued a licence to the British Columbia power commission for the building of the dams, application for which has been made to his department?

Mr. Walker: As I understand it, this esteemed gentleman is a provincial official of the British Columbia department of lands and forests, and the permits issued by him are a provincial matter. The province of British Columbia has not been in the habit of consulting me in connection with their purely provincial matters. I therefore apologize for not being able to give an answer to that question.

Inquiries of the Ministry

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM—INQUIRY AS TO REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. M. L. McFarlane (Kootenay East): Mr. Speaker, I should like to ask the Minister of National Defence this question. Has the minister received a communication from the attorney general of the province of British Columbia requesting the assistance of the army in the East and West Kootenay areas for the Doukhobor problem?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, yesterday afternoon I did receive a telegram from Mr. Bonner, the attorney general of British Columbia, the material part of which read:

> Would earnestly recommend Canadian army immediately station appropriate units in the East and West Kootenays for practical training in army's current domestic role.
>
> People in Kootenays and government of British Columbia would welcome federal co-operation of this nature as complementary to efforts of provincial and municipal enforcement agencies now fully engaged in this area.

Following receipt of this telegram I telephoned Mr. Bonner and pointed out to him that it was apparent that the reason he wished troops to be stationed in the Kootenays was that they might aid the civil power. I stated he should follow the regular procedure as laid down in the National Defence Act, sections 218-228. Section 219 in particular reads:

> The Canadian forces, or any unit or other element thereof, or any officer or man, with materiel, are liable to be called out for service in aid of the civil power, in any case in which a riot or disturbance of the peace requiring such service occurs, or is, in the opinion of an attorney general, considered as likely to occur, and that is beyond the powers of the civil authorities to suppress, prevent, or deal with.

This section and the others referred to place squarely on the attorney general of the province the responsibility for requisitioning military assistance if, in his opinion, it is required. I assured Mr. Bonner that if assistance was requisitioned in the manner laid down by law, it would be provided in a matter of hours. I further advised Mr. Bonner that in my opinion I had no authority under law to send in troops to assist the civil power unless they were called for in the circumstances as laid down in the National Defence Act.

Mr. Herridge: A supplementary question. Does this in effect mean there has to be a state of martial law declared before the minister sends in troops?

Mr. Harkness: There is no such thing as a state of martial law, as I understand it. The National Defence Act is clear. If military assistance is required by the civil authorities, the procedure is clearly laid down; they request the nearest army commander for that assistance, and he is obligated under the National Defence Act to supply it.

[Mr. McFarlane.]

[*Later:*]

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Prime Minister. In light of the fact that ever so many minority groups in Canada are deeply concerned about the irresponsible and reprehensible activities of the Sons of Freedom community in Canada, is the Prime Minister in a position to assure the house that the government will undertake and support no measures that will violate the basic spirit underlying our bill of rights?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. gentleman often indulges in adjectival exaggeration, and this is a further example. He must realize that all statutes of Canada are subject to the bill of rights.

EXTERNAL AFFAIRS

SMUGGLING ACTIVITIES OF CANADIANS ON INTERNATIONAL COMMISSIONS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Prime Minister. In view of the Prime Minister's statement yesterday that offences committed outside of Canada are not subject to prosecution in Canada, could the Prime Minister inform the house whether the two members of the Department of External Affairs who are alleged to have engaged in improper activities in Indo-China continued to enjoy diplomatic immunity even after their offences were discovered?

Right Hon. J. G. Diefenbaker (Prime Minister): What I said yesterday had no reference to diplomatic immunity. The question arose whether the act of smuggling committed by civilian personnel in Indo-China constitutes an offence under any of the laws of Canada. None of the statutes which are relevant in this connection, namely the Criminal Code, the Narcotic Control Act and the Customs Act, applies to wrongful acts committed outside Canada. It is not a question of diplomatic immunity at all; it is simply the fact that civilian personnel stationed anywhere in the world who commit offences are not liable under Canadian law even though they are Canadians.

Mr. Herridge: A supplementary question. Does this mean that if the offence is committed in another country, and they are not liable to punishment under Canadian law, they can commit offences without being punished for them providing they have diplomatic immunity?

Mr. Speaker: Order. The hon. member is asking for a legal opinion, and there is ample precedent to say that it is not in order to seek the answer to a legal question on the orders of the day.

[*Later:*]

Mr. Herridge: I am in a curious mood today, Mr. Speaker, and I wish to ask the Prime Minister another question. Did the two employees of the Department of External Affairs who engaged in smuggling operations escape punishment in Indo-China by pleading and receiving diplomatic immunity?

Mr. Speaker: Order. I think the hon. member is asking the same question in a different form. He is asking the Prime Minister for a legal opinion on the status of the two employees.

Mr. Herridge: No, Mr. Speaker. I am just asking for the facts concerning a certain situation.

Mr. Speaker: Has the hon. member given notice of the question? It is perhaps a question that might go on the order paper, inasmuch as it asks for information of past events which may not be at hand.

CANADIAN NATIONAL RAILWAYS

ST. GEORGE'S, NFLD.—REPORTED CHANGE IN STATUS OF STATION

On the orders of the day:

Mr. H. M. Batten (Humber-St. George's): Mr. Speaker, may I direct a question to the Minister of Transport. Has the minister received a protest from the Royal Canadian Legion at St. George's, Newfoundland, regarding a report that the Canadian National Railways station at St. George's is to be reduced to a flag station? If so, can the minister advise what action has been taken?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, this morning I received a letter from the secretary of the Royal Canadian Legion at St. George's inquiring about some rumours concerning a change in the status of the station at that point. I immediately transmitted a copy of that letter to the management of Canadian National Railways, and expect an answer very shortly.

Inquiries of the Ministry

NATIONAL PARKS

INQUIRY AS TO EXTENSION OF WINTER WORKS PROGRAM

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources. Has the minister given any consideration to extending the winter works program in the national parks beyond the end of April?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, the present winter works program in the national parks carries on to the end of April. I can assure the hon. member and the house that we have made the decision to extend the program to the end of May, which brings it into line with the municipal incentive program of my colleague the Minister of Labour.

Most of the winter works program of my department takes place in the national parks and it also includes the important camp site and picnic grounds programs. These programs, as hon. members will appreciate, are important to provide the necessary recreational facilities for the Canadian population and our growing tourist industry. I can assure the hon. gentleman and members of the house that the provincial governments have been advised to this effect.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF WIFE OF BRITISH GUIANA PREMIER

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I am not quite certain how to put this question. However, I think I am doing it in the right way by saying this. Protocol being protocol I should like to express through you, sir, what I know is the happiness of all members of the House of Commons at seeing in the Speaker's gallery Mrs. Jagan, wife of the premier of British Guiana, who is on an unofficial visit to Canada. We hope she enjoys her stay here and her visit to the House of Commons.

INQUIRY FOR RETURN

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Secretary of State. Is he now in a position to comply with the motion I introduced several weeks ago concerning correspondence exchanged between the Department of Transport, Quebecair officials and other persons?

Supply—Citizenship and Immigration

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I have asked the officials concerned to have these documents produced as soon as possible. As I told the hon. member the other day, the matter is not wholly under my jurisdiction, but I shall attend to it.

Mr. Chevrier: May I ask a supplementary question? Is the minister aware that three letters at the most were exchanged between the parties—

An hon. Member: If you know, why do you ask?

Mr. Chevrier: —and could he see to it that this correspondence is tabled as soon as possible?

An hon. Member: You are being very inquisitive.

Mr. Dorion: I am glad to hear it. This will make things easier for me.

(Text):

SUPPLY

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Indian affairs branch—
Indian agencies—

618. Operation and maintenance—further amount required, $136,000.

Mrs. Fairclough: Mr. Chairman, last evening for a considerable length of time we were treated to some remarks by the hon. member for Niagara Falls which I must say, as minister, I found gerry-waring—excuse me, I mean very wearing on the credulity. The remarks which were made in two separate interventions in the debate by the hon. member occupied almost an hour and were filled with inaccuracies, innuendo and allegations. I should like to deal this afternoon for a short time with some of those allegations. I think I should refer, first of all, to the remarks of the hon. member as recorded on page 1728 of *Hansard*:

> —I have never before in my life seen such an obvious and barefaced collusion.

I submit, Mr. Chairman, that the hon. member probably knows more about collusion than about tenders and business practices, because the one tender submitted displays what I regard as the most flagrant and obvious example of barefaced padding of a contract that, in my business experience, I have ever encountered.

There were several remarks made by the hon. member with which I should like to deal, and the first of these has to do with the employment of one Mr. Paul Brett, who is now employed as a forester in the Indian affairs branch of my department. Mr. Brett, it is true, was in the employ of Mr. Johnson to whom the hon. member referred. This employment terminated on March 31, 1961. However, Mr. Brett had, a month or more previous to this time, made application for the position of forester with the department, under competition properly advertised by the civil service commission.

I am told that there were a dozen or more applicants for the position. He won the competition, taking the examination in the usual course under the civil service commission. As hon. members of this house are aware, in this case the department accepts the person who is selected by the civil service commission. Mr. Brett was then appointed to the staff of the Indian affairs branch. He took up his employment with the branch, not as the hon. member says on April 1, but on May 1. This is one of the inaccuracies which have been built into the story the hon. member produced for our edification last evening.

There are other matters with which I should like to deal as I come to them. For one thing, the hon. member made the allegation—I suppose that is too broad a term to use; made the statement—that Beaufort Industries did certain things. I find it very difficult, in jumping around through this speech, to discover which Beaufort company she is talking about, because I find there was a Beaufort Industries incorporated in 1958. I do not know if this company discontinued its activities, but it was taken over by Beaufort Holdings in January, 1962, a full month after tenders had been called for this timber. Then a new firm, Beaufort Industries, was incorporated on January 19, 1962. We have, therefore, Beaufort Industries No. 1, Beaufort Industries No. 2 and Beaufort Holdings. I presume we can assume that in the first part of her remarks, when she is building up her story, she is referring to Beaufort Industries No. 1. Then when she starts to talk about the ultimate tender which they submitted she is talking about Beaufort Industries No. 2, which was finally incorporated on January 19, 1962.

However, to return to her statement, I find she is reported on page 1725 of *Hansard* as saying:

> At this point I might say that Beaufort Industries Limited is a company of all Canadian directors and shareholders, located in Vancouver, and has been cutting timber for a long time in the Tsimpsean I.R. No. 2 reserve, in the reserve area, and cutting it very successfully.

Miss LaMarsh: I wonder if I might interrupt the minister. I had risen to make certain corrections in *Hansard*, but the hon. lady had started her statement. I had not said last evening they had cut timber in this reserve, but near it. If the minister wishes to make

her statement prior to my being able to make those corrections, then I would like her to know she is referring to things that were inaccurately reported.

Mrs. Fairclough: I accept the correction, but I was about to declare that I know of no basis for the statement that Beaufort ever cut timber on the Tsimpsean reserve No. 2, and I might say further that the department has no record of any previous dealings with this company in respect of any Indian timber.

There are several other points to which I would like to refer. As reported on page 1727 of *Hansard* the hon. member said that the advertisement which was inserted in the newspapers calling for tenders had been changed to read "February 13", and that no notification was given to the Beaufort company. Well, Mr. Chairman, I have here two newspapers, the daily *Colonist* of December 22, in which the original notice calling for tenders was advertised, and the following day's edition, December 23, in which a revised notice appeared in the same paper extending the date. This was the only notice that was given to any tenderer and it was obviously well known to Beaufort Industries, as it was to the other companies which were interested in this tender; because in the intervening period between December 23 and January 19 representatives, or let me say a representative, of Beaufort Industries was in my department on several occasions and referred to the fact that the date had been extended.

I might direct attention further to the fact that had the original date been adhered to, up to that time Beaufort had not even received consent to their ultimate incorporation. Undoubtedly the extension of the date benefited them to a greater extent than anyone else. This extension was made in response to the suggestion of our officials in Vancouver, who had received representations from several persons who allegedly were interested in submitting tenders, drawing attention to the fact that one month was scarcely sufficient time for them to prepare and submit their tenders.

As recorded on both pages 1727 and 1729, the hon. member also referred to the fact that Beaufort had tendered on some 8,000 acres of timber which were not included in the tender of the successful tenderer, and the question was asked why we put up only 4,760 acres for tender and excluded the other 8,000 acres. The 4,760 acres contains 85 per cent of all the merchantable timber on the reserve, amounting to 160,500 hundreds of cubic feet. The 8,000 acres referred to is mostly marsh and rock and contains only about 15 per cent of all the merchantable timber, amounting to 24,000 hundreds of cubic feet.

Quite apart from the fact that this area was hardly worth logging on a commercial basis, it was considered that the timber on it could well be reserved for future logging operations by the Indians themselves, if and when they wished to do so. I might also say that in this submission presented by Beaufort, quite apart from the fact that it included these 8,000 acres, the tender contained a clause in their proposed contract which would allow them to withdraw from the extra 8,000 acres if the timber proved unsuitable for operation.

Miss LaMarsh: Perhaps the hon. lady will admit on this point that it would be only with the department's permission?

Mrs. Fairclough: Why include it in the tender in the first place and then, as I said before, pad the tender price up to make it look like an attractive offer on the basis of something which they were subsequently to attempt to withdraw? It seems to me, talking about red herrings, this one is at least slightly pink.

Now, there was considerable discussion with reference to the construction of a road and some other matters that were included in the tender of Beaufort which were not stipulated in the call for tenders, and accordingly not quoted on, by the other tenderers.

Any company which engages in lumber operations must build roads to carry out its purposes. Of course one company may build a road in one direction and another company may build one in another direction, and if it turned out that the Indians would like to have a road built in a direction other than that which might have been indicated by another tenderer, then of course that would be taken into consideration.

I might say that I do not intend to pursue this matter because I believe it is one that should be discussed by someone who is familiar with the terrain which, as I understand it, is a very difficult part of the country stretching from the place where logging operations would take place to the head of the inlet. Whether or not a road in that particular locality would be of use to the Indians is a matter on which I am not qualified to judge. I understand that at present there are no vehicles there. In the long run there may be, but there are none at the moment and, as nearly as I can calculate by looking at the map, the road to be constructed would cover a distance of some 15 miles.

The hon. member also referred to what she called the stunning regularity with which Mr. Johnson's and Mr. Brett's names came up. I might say that she herself certainly made

a point of repeating these two names throughout her tirade last evening, but she referred to Mr. Johnson as an employee of the department. On more than one occasion she used the phrases "when he left the department" and "a former employee." Mr. Chairman, Mr. Johnson was never an employee of the department.

Some hon. Members: Oh, oh.

Mrs. Fairclough: The firm of which he was a principal tendered along with some eight other firms in 1958 to provide a survey of certain forest potentials in British Columbia. He was the successful tenderer, as he had been when he was previously engaged by the department of Indian affairs under the former regime in 1956. At that time I understand there was no public call; it was just two firms which were asked to submit tenders, and Johnson's firm submitted the lower of the two quotations. I would suppose, Mr. Chairman, that since this company was engaged by the former government, that proves that their reputation and integrity is above reproach.

Some hon. Members: Oh, oh.

Mrs. Fairclough: Consequently when they won the subsequent tender in 1958, in competition with seven others, I can find no particular reason to quarrel with this arrangement.

Another statement was made by the hon. member which is reported at page 1727 of *Hansard*. She said that Beaufort had been advised that it had won the contract as high tenderer. Now, Mr. Chairman, this is not exactly the case. As a matter of fact when the tenders were received, as is usually the case the tenderers had representatives present, and at that time Beaufort were advised that it appeared they had submitted the high tender but that both tenders with their supporting documents would have to be examined before a decision could be made. This is just slightly different from the hon. member's version.

I must say in all honesty that throughout the remarks which were made there is just enough semblance to the true facts in many cases to make it very difficult to say "This is wrong, and this is right". This matter of whether or not they were told they had won is a very good example. The hon. member's words were, "They were told they had won the tender", whereas the actual words that were used were that they had obviously submitted the highest tender but that the various tenders had to be examined before a decision could be made. This is what makes it so very difficult to draw the line in all these allegations and statements which have been made.

[Mrs. Fairclough.]

Mr. Chairman, the hon. member had quite a bit to say about a number of things. She said, for instance, that last autumn an offer was made in writing by Beaufort in the amount of $791,000, and she wanted to know why it was that this amount was so close to the successful tenderer's amount of $792,000. As a matter of fact no such tender in a specific dollar amount was made by Beaufort. Under date of August 11 they wrote a letter to the department and offered to purchase at $7 per thousand. Someone else has done the arithmetic which arrives at $791,000, but no such amount was mentioned then or subsequently by them as a dollar amount for the offer which was made.

The hon. member has also said that she wanted to know why it was that the tender call said it would not necessarily accept the highest or any bid. Mr. Chairman, anyone who has had a great deal of experience with tender calls knows that this is pretty standard form. It was, however, a form which the Beaufort company chose to ignore by sending in a submission on an entirely different basis and one which, as I have said before, served to pad their price to an almost unrecognizable degree.

Mr. Pickersgill: That means the Indians would get more.

Mrs. Fairclough: Not necessarily.

Mr. Pickersgill: Then what does the hon. lady mean by "pad the price"?

Mrs. Fairclough: I will tell you precisely what I mean by that before I finish. As a matter of fact I see no reason why I should not tell you right now—

Mr. Pickersgill: I think it is a good idea.

Mrs. Fairclough: —because if you add to the bid of Shoreline of $792,000 the 30 cents per 100 cubic feet which was offered for the training plan, you get $792,000 plus $48,150 or $840,150. They had not included this amount in their tender, but Beaufort did include the amount, and they did not include the amount at 30 cents per 100 cubic feet. They showed the cost of training at 50 cents per 100 cubic feet. They also included the 20 cents rental per acre—

Miss LaMarsh: Would the hon. lady confirm this point? The Shoreline bid was for $6,000 a year and the Beaufort bid was for a maximum of $20,000 a year, or $200,000. That is the difference between 30 cents and 50 cents.

Mrs. Fairclough: I am afraid I do not understand the hon. lady.

Miss LaMarsh: I am sure there is a difference between $60,000 and $200,000. The hon. lady is supposed to be an accountant.

Mrs. Fairclough: Yes, I was supposed to be, and that is why I get so confused with these legal statistics which seem to be so much at variance with those which are accepted common business practice. To go back to this matter of the evaluation of the two tenders, I have now given the committee the figure by Shoreline, with the training plan, of $840,150. If you take the bid of Beaufort, their stumpage amount is $631,950, and you add to that their estimate of the cost of their training plan, which is $80,250, and possibly the hon. member will realize that in putting in the $80,250 as against the $48,150 of Shoreline I have recognized the differential which she mentioned. Then you add to that the rental of 8,000 acres at 20 cents per acre which they submitted as a contract, amounting to $16,000 and you still only get $728,200 as compared with Shoreline's $840,150. As I said before, the rest is padding.

Miss LaMarsh: That is, the roads and planting are the padding; is that what the minister is saying?

Mrs. Fairclough: I will come to that, too. I draw to the hon. member's attention that I sat quietly last night and listened to her for nearly an hour. I made one or two small interventions which I thought were pertinent to the debate. I think perhaps she should contain her soul in patience until I finish.

Some hon. Members: Hear, hear.

Miss LaMarsh: I shall try to do so.

An hon. Member: Take your medicine; it is free.

Mr. Chevrier: It is not very hard to take.

Mrs. Fairclough: It was also said that the contract for Shoreline was on a one year basis. Again this is wrong. The contract was on a 10 year basis. I fail to understand where this one year came into the matter, because the contract was exactly the same for both companies and each of them contracted for 10 years. So all this reference which creeps in here two or three times is wrong. As a matter of fact it must have been sold to the Indians too, because I see it is in their resolution which mentions the one year, whereas the actual term is 10 years.

The hon. member referred to the resolution which had been submitted by the chief of the band. I might say that this resolution did not come to me; it was sent to the Prime Minister, and I secured a copy of it. But apparently at the same time it was sent to the Prime Minister it was also sent to the hon. member, who in that event had it before I did. It seems to me that if action is expected the resolution should be sent to the head of the department concerned, but apparently this is a new system. In any event, of the first three items which are now asked for by the band, none were in the call for tenders.

Miss LaMarsh: Shame.

Mrs. Fairclough: It seems to me I heard the hon. member say "shame". Possibly I should point out to her that the officials of my department consulted with the chief and with the band before the original tender was put out, and the terms which the chief of the band required to be in the tender were placed in that tender. These other matters have been raised not only subsequent to the calling of the tenders but subsequent to the eventual consideration of the bids. In other words they are an afterthought.

I submit that a story has been very carefully built up here for the purpose of creating a false and distorted version of the facts. Unfortunately this false version appears to have sold to the Indians. The fact is that the general terms of the call for tenders were, as I said a moment ago, worked out with the members of the band council. They made no reference to the building of a road between Tuck inlet and Fort Simpson. The question of the road is therefore outside the terms of the tender. This having been said it should be added, I think, that whichever bidder is awarded the contract will be obliged at his own expense to construct a suitable network of logging roads in order to get the timber out of the area. I mentioned this earlier in my remarks this afternoon, and it is a fact well known to all foresters and logging people.

The Chairman: Order. I regret to interrupt the minister, at this point, but I must tell her that her time is expired.

Some hon. Members: Carry on.

The Chairman: I see it is the wish of the committee that the hon. lady should continue.

Mrs. Fairclough: Thank you, Mr. Chairman. I might as well do this all at once instead of in two parts.

This area cannot be logged in any other way, and the cost of logging roads should properly be regarded as part of the cost of operation, not as part of the price paid to the Indians. As a matter of fact, the remark was made in an offhand way by one forester who had taken a look at these tenders that if the Indians took the extra $160,000 which they would get from Shoreline they could build the road themselves.

The call for tenders did not include a requirement to replant the area which is to be cut, for the reason that the timber cruise

report for the area in question stated that the area would regenerate its own forest cover by natural means, and that artificial reforestation was not necessary. I am told that the problem in this area, because of the heavy rainfall and so on, is to stop the trees from growing, not the replanting of them. It is true that replanting is engaged in in certain parts of the country and in connection with certain types of logging operations, but I do not propose to go into that matter now because I do not think I am any more of a forestry expert than the hon. member for Niagara Falls is.

There was a reference to the fact that the call for tenders included only 4,760 acres as against the extra 8,000 acres. I have already dealt with this, but I just might add that the Indians themselves were aware of that fact at the time the call for tenders was put out. The timber cruise report made it clear that there was very little marketable timber on the 8,000 acres and that this parcel should not be included in the call for tenders. I said this a few minutes ago but I repeat it now because this was a fact which was well known to the band members.

I might just make a brief reference to the concluding part of the resolution which was received from the band affirming the band council's refusal to accept any tender which did not conform to the four stipulations laid down. My only comment on this is that if these were to be essential features of any successful tender they certainly should have been stipulated in the call for tenders before it went out. We can hardly justify calling for tenders on the basis of one set of criteria and then awarding the contract on the basis of another set.

So in order to clear the air—because it certainly is well fogged up now—I should like to say that though the Indians were consulted on the details of the original call, they now appear to be dissatisfied with the terms on which that call was issued. As we know, they have now listed four conditions in their council resolution, three of which are new. The fourth does not apply. There is the term dealing with the requirement of a road from Tuck inlet to Fort Simpson; that dealing with reforestation which, I have said, is not considered necessary or even desirable in that area, and finally the extension of the area to cover 12,620 acres instead of 4,620 acres.

As I said yesterday in reply to a question on orders of the day, and as I repeated last evening, immediately I received word of dissatisfaction with the awarding of this tender, some ten days ago, I gave instructions to the department to have the commissioner in British Columbia visit the band in question to discuss the matter with the chief and his band members. I may add that in the meantime I have received conflicting reports from a number of people in British Columbia with regard to this matter. I have had two reports from Indians, some from people engaged in the forest industry, and others from persons otherwise interested. They do not all point to the same conclusion.

Therefore I agree with the hon. member for Vancouver East, who said last night that he thought it would be a good idea to get this whole thing cleared up as speedily as possible. I think he is quite right; the issue is certainly well befogged now. So in view of this and in fairness to the Indians, who are after all the owners of the timber, we have no alternative in my view but to cancel the original call for tenders and the bids relating thereto and start all over.

Some hon. Members: Hear, hear.

Mrs. Fairclough: That is the best applause I have had from the opposition since I have been in this post.

Mr. Pickersgill: Remember when you cancelled your immigration regulations?

Mrs. Fairclough: This is what probably would have occurred in any event. I am still awaiting a report from the commissioner on his return from the reserve. As hon. members familiar with the area will know, this is a remote place. It is difficult to get into. The commissioner probably would have been there last week had conditions been suitable for travelling to that part of the country. He is there today, I understand, and I expect to have a report from him when he has ascertained the wishes of the Indians, and this time we had better get them in writing. We shall then, I expect, if the Indians wish it, issue another tender call with specific stipulations. The tenders which will then be received will be considered on the basis of the conditions set out by the Indians and incorporated in the tender call. If there is further padding I can assure the committee that we will have to slice it away once more in order to arrive at comparative values.

Nevertheless, as I said last evening, although this particular item is not properly included in the supplementary estimates which are before the committee for consideration, I am pleased to have had an opportunity to present to the committee as much information as is presently available. I admit this is probably not the whole story, and I do not think the whole story will be known until we receive the report from the commissioner on his return from the Tsimpsean reserve.

I do not think, though, that I need to apologize for the consideration which I have

given to the affairs of the Indians. They have never lacked a sympathetic ear when they have come to me as bands, as associations or as individuals, and they never will lack a sympathetic ear as long as I hold this portfolio. I do not claim I am the only person in this chamber who is sympathetic toward the Indians or who is concerned with their welfare. I am sure that practically every hon. member is also concerned that the Indians should receive a square deal, and that is what we try at all times to provide for them.

This tender call has resulted in a flare up, and the whole issue is beclouded by charges and countercharges which I do not think are particularly good for the final resolution of the problem; nor are they good for the Indians themselves or for the trust which they must of necessity place in those who are attempting to administer their affairs if the best of conditions are to finally evolve for them and their children.

Miss LaMarsh: Mr. Chairman, I roundly applaud the minister for her decision to cancel the contract as let and to call it again at the desire of the Indians. This is in keeping with the highest traditions not only of many things the minister has done but also with the traditions which are required of a member of the privy council and particularly a person responsible for the trust with respect to Indians.

Last evening and again this afternoon when the minister commenced her remarks I was somewhat startled by the vehemence with which she attacked the address I made last night. I explained last evening that I was raising this matter as one of urgency, although the minister indicated she did not wish it done. I felt it important to raise the matter because I felt there were a lot of facts that should be placed in the possession of the minister before this investigation concluded.

I rose at the beginning of this debate to attempt to correct some of my remarks as they appear in *Hansard*, and I should like to proceed to do that at this time. Some of them are erroneous, and I regret the fact that when I reached the debates office last evening it had closed.

At page 1725 of *Hansard* of March 12, in the left hand column, approximately half way down the page, in the paragraph beginning with the words "within a matter of two weeks" the following sentence appears:

> He suggested that negotiations be conducted directly with the superintendent and the bands and chiefs council—

That phrase, of course, should be "chiefs and band council".

In the right hand column on page 1725 about halfway down the page the reference to "Indian superintendent" should be "Indian commissioner".

In the lower right hand column on page 1725 the reference to Beaufort Industries Limited as a Vancouver company should be corrected to indicate that it is a Victoria company.

Mr. Broome: Mr. Chairman, on a point of order, there is a proper place and time in the proceedings of this house for an hon. member to make corrections. This is not the proper place for the hon. member to attempt to correct her remarks—

Mr. Pickersgill: She can make corrections at any time.

Mr. Broome: Just a second. Sit down and be quiet. Let someone else finish his remarks before you interrupt. The hon. lady should wait and make her corrections at the appropriate time. When orders of the day are called she should stand up and make corrections—

Mr. Chevrier: Don't be afraid; she will stand up.

Mr. Broome: I point out, Mr. Chairman, that the hon. member has already had an opportunity to do that today.

The Chairman: I believe the corrections the hon. lady is making relate to the debate now proceeding, and since reference has already been made to some of these comments I shall permit her to proceed.

Miss LaMarsh: Thank you, Mr. Chairman. The following is the phrase to which the minister referred. At the bottom of page 1725 in the right hand column I am reported as having said that the company has been cutting timber for a long time on the Tsimpsean reserve. Properly the word "reserve" should be dropped out because it was in the reserve area. While the minister indicated that the department is not aware of the company doing any work in the area, it did in fact recently complete a Masset operation in the Queen Charlottes, very close to this land. It was a very successful operation, well known in British Columbia forestry circles.

In the upper left hand column of page 1726 where I refer to Mr. MacGregor as the acting superintendent, the reference should be to acting commissioner.

In the lower right hand column of page 1726 I am reported erroneously as having said there was a call for tenders made on September 15, 1961. That should be "December" as is reported further along in the paragraph.

One final correction—

Mrs. Fairclough: Perhaps the hon. member would permit me to interject an observation at this point. I do not wish to interrupt her corrections, but with regard to the last correction she mentioned she said the call was sent out to Beaufort and to another company. This was not correct. The call was in the newspapers. It was not sent only to individual companies. It was a public advertisement.

Miss LaMarsh: With reference to that, the minister may be advised that I was informed that a call had been received through the mail. I was so informed yesterday by an official of the department. I was informed that it had been sent directly to individuals who had been writing the department and who were interested. I was informed there were individuals who got it through the mail.

Mrs. Fairclough: That is true, but it was a public call advertised in the press, as distinct from a call sent to specifically selected individuals or companies. As the hon. member has now said, it was sent to more than these two companies. That would be only common courtesy when companies had been making inquiries with respect to a given project. They would, of course, be notified if and when public tenders were called.

Miss LaMarsh: This was the point I made earlier, that they did in fact receive the call with a specific date by which tenders were to be in, on January 13 or January 16, and they were not notified by mail of the change. The change only appeared in the printed advertisement in the newspaper.

Mrs. Fairclough: Yes. The change appeared in the printed advertisement in the paper; no one was notified.

Miss LaMarsh: One other correction. At page 1728 in the upper left hand column I am reported as having said:

> In fact it should be remembered that Mr. Johnson—and Mr. Brett had been associated with Mr. Johnson—

That should read:

> In fact it should be remembered that Mr. Brett—and Mr. Brett had been associated with Mr. Johnson—

Mrs. Fairclough: I do not understand that correction.

Miss LaMarsh: The statement which reads that Mr. Johnson—and then there are dashes —and Mr. Brett had been associated with Mr. Johnson should read that Mr. Brett—and then following the dashes—and Mr. Brett had been associated with Mr. Johnson, the chief forester of the Vancouver office.

[Miss LaMarsh.]

At page 1730 there are two substantial errors. In the right hand column at about the middle of the first solid paragraph I am recorded as having said:

> I would suggest to the minister that notwithstanding what I am advised by the department—

If I did in fact say that I was in error. It should read:

> According to what I have been advised by the department—

As it appears it completely reverses the sense of what I meant to say.

Further down in that column I am reported as having said:

> It was Beaufort that brought to the attention of the department a fact that anyone who obtained foreshore rights would in fact be giving the Indians access ultimately to the ocean.

The word "giving" in that sentence should be "denying". So much for the corrections.

There were also a number of suggestions by the minister to the effect that I had attempted to colour the evidence which I put before the house. There were her references, including that to the employment of Mr. Brett, who it appears now was employed a month later than I had indicated to the committee. The information about the date of his employment was supplied to me by an individual in the Indian affairs branch to whom I spoke yesterday just before coming into the house. If it is in error, I am sure that it is his innocent error and mine as well.

Mr. Broome: What was his name?

Miss LaMarsh: I do not think it is necessary for me to give it. I believe the minister knows who it is. There is no secrecy about it.

Mrs. Fairclough: No, I do not know.

Mr. Pickersgill: It is a matter of no importance, in any event.

Miss LaMarsh: On the question of Beaufort's incorporation, may I say that I am not a solicitor for nor in any way associated with Beaufort. However, I had made inquiries with respect to this matter and I am informed that the company's solicitor believed that the company would not have sufficiently wide objects and therefore a reconstitution was made in the company in order to broaden its objects. At least in so far as I am concerned it appears to have no significant importance, and appears to be a matter on which the minister was grasping for straws in trying to answer the suggestions which I put forward last night.

As to the question of why 8,000 acres were excluded and only 5,000 acres were put in the offer, as I think I pointed out, in 1954

and 1956 the department saw fit to offer all of the land; and as the minister told us frankly this afternoon it was because of the cruise report which was prepared by Mr. Johnson's company for the department that only 5,000 acres were offered. I was told yesterday that it would appear ridiculous if the government were to offer the whole area. They now know they have someone who wishes to purchase the whole tract. It would seem to me that what they have been told by a number of individuals who are experienced in forestry is that if in fact all the timber is not offered at once, the Indians will never be able to sell it because it is not economic to go into such rough terrain to take it out, and it will just remain there.

Mr. Broome: Who are these experts?

Miss LaMarsh: The reference with respect to roads is, I think, an important matter, as it is obviously of great importance to the Indians. I have not visited this reserve. Perhaps the hon. lady has done so. However, it is apparent from the maps that it is just south of Alaska. Bad weather prevails much of the year. In fact the successful tenderer has indicated that there may be a time when he will not be able to carry on any operations up there. I am informed there have been at least some Indians who have died when travelling off the coast on the way to Prince Rupert, which is the northern settlement. This will give them a real safety factor, and is something which ought to be considered.

I do not for a moment suggest that Beaufort, in saying that it would spend up to half a million dollars in building such a road, is doing this out of sheer kindness of heart. It is a logging road. It is for the purpose of their operations, which they think it would make more efficient. But it would appear that it would be of great and lasting benefit to the Indians of the band. In the alternative, the road offered by Shoreline was a three mile road which it was alleged could be built for $50,000 and which comes in from the Big Bay area, right through into a stand of better grade timber.

Whether the minister thinks there is any difference between a $50,000 offer and a $500,000 offer, I do not know. However, the Indians appear to feel that there is some difference. I believe such a road would be something which the Indian affairs branch will never build itself because of the terriffic cost. I am informed that a number of individuals in the department, both here and on the west coast have repeatedly said that such a road could not be built, and yet the minister has just said that someone else has said that the extra $160,000 offered by Beaufort could be used by the Indians to build their own road. The department itself has said it could not be built. Mr. Beaufort has put engineers in and taken aerial photographs.

Mrs. Fairclough: No, that was not said at all.

Miss LaMarsh: The minister did not say this. I was told this by a representative of the department yesterday.

Mrs. Fairclough: No. If the hon. member will permit me to say so, I think what was said was what I said earlier, namely that it was difficult terrain and it would be difficult to build a road in that area. However, I do not think anyone at any time said that it could not be built.

Miss LaMarsh: That was the suggestion made to me yesterday. Again, with respect to replanting may I say this. The minister goes back to the cruise report, and I appreciate that this may be all the department has. But sight should not be lost of the fact that the cruise report was prepared by the Johnson company, that is the company which is owned by the man who was the successful tenderer under another corporate name. Of course it will cost him and every other timber man in the whole of the west a considerable amount of money if it became a standard practice to require replanting. Every timber man who went in to cut on Indian land or any other land then might be required to replant, and it would cost several million dollars a year. There is reason to say that no one who is in the lumber business on the west coast wants a requirement that there be replanting. This is an important offer as well from the point of view of employment of the Indians because, as is apparent, elderly people, those who are not particularly strong, women and children could be used in planting seedlings, and not just able bodied men.

There is another matter to which as yet no reference has been made. I refer to the number of people to be employed. The successful tenderer says that he will employ in the first year only 10 Indians, and that when he is fully going he will employ 20 Indians out of 32 men. The Beaufort plan indicated that they would employ about 100 Indians. That makes a considerable difference in the wages paid to and the skills learned by the Indians on the reserve.

Yesterday the minister said something else about which I meant to ask her last evening, but there was not time in which to do so. She said that before March 7, which was the date of the resolution, she had ordered an investigation. I do not think she favoured the committee by telling us the reason. This tender was opened on February 13. On February 21

Beaufort was advised by telegram that it was the lowest tenderer. From February 21 to March 7 nothing appears to have occurred.

Mrs. Fairclough: If I may answer the questions as we go along I think we might save time in the long run. Earlier in my remarks today I explained that matter, when I said that upon receipt of information to the effect that the Indians were not satisfied, I then ordered an investigation.

Miss LaMarsh: There is one other matter to which I wish to refer. The minister has said she is going to recall tenders. As I said before, I think this is an excellent idea. It will be to the satisfaction of the Indians, who are really the only people concerned or the only people with which this committee need concern itself. However, the minister made some slighting reference to my humble experience with tenders. I have had some experience at least as a municipal solicitor. I am well aware of the fact that there is almost always a provision to the effect that neither the highest nor any other tender is necessarily the successful one. Certainly in my remarks yesterday I pointed out that it was usual to have a clause providing that the department may refuse to accept one or the other or both. However, I suggest to the minister that if she wishes to avoid what she calls padding, certainly one of the most important things is also to avoid conditional tenders, that is tenders which are called and which are accepted should in fact be proper tenders which are unconditional. In my humble legal opinion, in any event, neither one of these tenders should have been accepted at any time, since they were both conditional.

Mrs. Fairclough: I agree with the hon. member on that point.

Miss LaMarsh: There is one other matter I should like to mention. I hesitate to try to lecture the minister, but the letter which was produced yesterday, and about which the minister made a most offensive suggestion that I might have removed something from the files of the department—

Mrs. Fairclough: I never said any such thing.

Miss LaMarsh: Perhaps I am being oversensitive.

Mrs. Fairclough: I think I just asked if it was on the files.

Miss LaMarsh: When I was reading from a photostatic copy of the letter the minister asked, as reported on page 1725 of *Hansard*:

> May I ask the hon. member from what document she is reading?

[Miss LaMarsh.]

I told her from what I was reading and then the minister said:

> May I ask further if this is a document which was gleaned from the files of the department?

Mrs. Fairclough: That does not say it was removed.

Mr. Pickersgill: "Gleaning" is removing.

Miss LaMarsh: Of course no such thing happened at any time. However, the letter does indicate a rather shocking condition, Mr. Chairman, and that is that this man Johnson, on the letterhead of the company which was appointed as a consultant to the department—

Mrs. Fairclough: Under contract.

Miss LaMarsh: That is right; but on the same letterhead this Mr. Johnson offered, on May 30, to peddle this information. His work had been completed on March 31. If the minister has not seen this letter I shall be happy to send it across to her.

Mrs. Fairclough: I do not dispute the right of the hon. member to produce this letter. My question was merely directed to ascertaining whether the letter was on the branch files and had not been drawn to my attention. This was my sole reason for asking the question. I do not have access to the files of individual companies. Of course if someone has seen fit to make this information available to the hon. member, she is quite right in bringing it forward if it supports her argument.

However, I do suggest that in my position I do not necessarily have control over all the industrial firms who may, at one time or another, have business with my department. I have not any particular spies out who are trying to find letters which may come from persons who at one time or another were under contract to this department and who subsequently pursued their activities with other industrial corporations.

While I am on my feet, Mr. Chairman, I might say with respect to the 100 Indians that I never at any time saw this information given by letter, by word or in any proposition, from the Beaufort company. This is the first I have heard of any offer to employ 100 Indians.

Miss LaMarsh: There is something else about this letter. In my opinion it is rather shocking that anyone could be employed by a government department, get information and then go out and sell it. I know that some of the people with whom I have been talking on the west coast have gone to the Indian affairs branch on the west coast and have been told it is the Indians' information; it

is not a public record. Here is a man who is getting paid more than $4,000 for this particular timber cruise—

Mrs. Fairclough: He tendered for it.

Miss LaMarsh: But he was paid out of public funds for it, and then he turns around and tries to sell that information. I should like to read this letter into the record so those on the west coast who may be interested may know what kind of man they are dealing with. This is on the letterhead of F. J. G. Johnson and Associates (Ltd.), with the same Howe street address, that is the same address as the company known as Shoreline. It is addressed to Westport Export Company, headed "Re Acquisition of Exportable Standing Timber", and reads as follows:

Dear Sirs:

Further to our meeting on May 29, 1961, I record herewith a proposed basis of co-operation that we hope will result in your company obtaining cutting rights on exportable timber stands.

We propose that you retain F. J. G. Johnson and Associates (Ltd.) on a minimum fee basis for the purpose of negotiations and field work.

We herewith submit a schedule of minimum professional fees.

	Day	Hour
Consultant (F. J. G. Johnson)	$75	$10
Supervisor or party chief (J. Cotter)	$50	$ 7

I do not know whether that is the same man as J. Cotten, who is with the Shoreline company.

	Day	Hour
Forester party chief	$45	$ 6
Cruiser	$35	$ 5
Technicians, typists, draughtsmen, etc.		$ 3

All disbursements at cost

On the successful completion of negotiations, an additional fee of 25 cents per Mbm, based on "acquisition" will be payable to our company within 14 days of the receipt by your company of official scale and royalty accounts, covering the timber acquired by us on your behalf.

We estimate that the total cost of professional services and disbursements will in no case exceed a maximum of 5 cents per Mbm, and with regard to the Tsimpsean I.R. No. 2 containing approximately 5,000 acres of merchantable timberlands with a net volume 11" D.B.H. ÷ of 114 million fbm, these costs could be expected to be in the neighbourhood of 1 cent per Mbm.

Bearing in mind your company's interest in Masset I.R. No. 1 and Yan I.R. No. 7, located on Masset inlet, Queen Charlotte islands, comprising a total of approximately 24 million fbm of standing timber, we suggest that we conduct negotiations directly with the superintendent, band chiefs and councils concerned. With regard to Tsimpsean I.R. No. 2 which has previously been advertised for sale, we suggest the regional office of the Department of Indian Affairs be approached for a direct sale, and failing this, that we apply for the timber to be put up for sale by sealed tender.

Every effort will be made to bring all negotiations to a speedy and successful conclusion, in order to keep initial outlay to a minimum.

Trusting we may be of service to you.

Yours truly,

F. J. G. Johnson & Associates, Ltd.

You will note that the letter is signed by Mr. Johnson. Now, he is selling information which he had obtained. I do not know whether he becomes a civil servant or whether there is any sort of secrecy imposed when one becames a consultant of a federal department. However, it is one of the most reprehensible and shocking breach of confidence I have ever seen. Here is someone who has been paid out of public funds and then tries to peddle the information elsewhere. This is the reason, I suppose, for the fact that in the lumber industry in both the United States and Canada it was being said all last summer that Johnson would wind up with this timber; when Johnson was trying to obtain United States financial support to help him exploit the Indians.

I am delighted that the minister has seen fit to let air into this matter; that she has seen fit to cause an investigation to be made, and that she has assured the house there will be a recall for tenders in compliance with the desire of the Indians. I would only ask that when such tenders are called they be unconditional tenders, and that the department be scrupulously careful in looking at those who are tendering to ascertain who they are, what their experience is and whether or not they have information, privileged information from departmental officials or otherwise.

Mrs. Fairclough: Mr. Chairman, this is a most interesting document which the hon. member has read into the record. However, it does not alter the fact that there is no such thing as a direct scale arranged between a firm of consultants and the superintendent and the chiefs of the bands. Any such transaction must, of course, pass through head office, and it would normally be handled in the proper fashion. Surely the hon. member does not expect the department or the minister or the government or anyone else to decide what are proper business ethics and at what time information gained in the course of fulfilling one's contract with another department or a department of government, should or should not be used.

But in so far as the information being secret is concerned, I might tell her there is no secrecy about the information gained by the Johnson company in pursuance of its activities, which I reiterate it carried out under contract won from seven other tenderers. There is no secrecy about it at all. These findings were published and were public knowledge. Anyone can get this information, and since it is available to anyone I suppose the company itself would think

it had a right to use this information. Certainly we have no way of policing the activities of these companies. I am not competent to judge whether or not this is a breach of business ethics, but in any event I would be pleased to see that the hon. member's views on the actions of the company in question are drawn to its attention.

Mr. McQuillan: I listened last night to the remarks of the hon. member for Niagara Falls, and I was shocked at the manner in which she endeavoured to smear the names of two respectable citizens in the city of Vancouver. She mentioned the name of one Thomas Ladner as a director of Shoreline Lumber Limited, and she went on to say that Mr. Ladner was "the son of one Leon J. Ladner"—

Miss LaMarsh: I did not say "J". I did not know that.

Mr. McQuillan: —whom she described as follows:

> —who is probably known to many of my hon. friends opposite as the chief fund raiser of the Conservative party in Vancouver.

Well, Mr. Chairman, he is not known to me as that. In the first place I want to point out to this house that Thomas Ladner is a respected lawyer in the city of Vancouver. He is a man who had a distinguished career in the navy in the last war. He was highly decorated, and he has served as a police commissioner in Vancouver. He is a man whose name I believe it worthy of me to clear of any imputation made against him in this house. Mr. Ladner telegraphed me this morning and said:

> I read this morning the report by Bruce Phillips of the *Province* Ottawa bureau of a charge allegedly made by Judy LaMarsh, M.P., concerning a company having the name of Shoreline Lumber Ltd., and advising that I am a director of that company. This is to advise you that neither I nor any member of my family ever had or will ever have any interest in this company. I hold my directorship in a purely professional capacity in the same manner as such qualifying directorships are held by me in dozens of other companies. I do not follow the business affairs of the company. No representation to any department of government in Ottawa was made on behalf of the Shoreline company by me, Mr. L. J. Ladner, Q.C., or any member of this firm.

I think that sets that record straight.

Now, as to the allegations of professional misconduct—and that is the only thing I can term them—made against Mr. F. J. G. Johnson, I shall not deal with them too fully. However, let me point out the fact that for many years Mr. Johnson has earned his living as a professional consultant forester in British Columbia. I might add that in British Columbia about 92 per cent of the forests are owned by the province. We have many professional foresters now practising in consultant capacities who previously worked for the British Columbia forest service. They have gone into private practice and, by virtue of the knowledge gained by them when working for the British Columbia forest service, they have been able to make quite a decent living. In some cases former members of the British Columbia forest service are now senior executives of large companies, and I do not think anyone would suggest for one minute that they should not make available to their companies the knowledge they gained of the forest resources of British Columbia when they were employed by the forestry service.

So far as these various bids are concerned, I shall not waste too much time dealing with them, as the minister has stated that new tenders will be called. But I have taken advantage of the minister's offer to review these bids, as did the hon. member for Niagara Falls, and I may say I have had quite a bit of experience in examining timber business sale tenders. Having done that I must emphatically tell the house that in my opinion the bid that would have given the greatest net return to the Indians from the sale of this timber was made by Shoreline Lumber Limited. That is my judgment based on what I can ascertain by looking at the tenders which the department was kind enough to show me. Their bid was $792,000 for the timber and the comparable bid of the Beaufort company, as nearly as I can analyse its complicated tender, amounts to $516,000. In other words there is a difference of $276,000 in net dollar return to the Indians.

Perhaps the Beaufort company did undertake to build a road to Tuck inlet which the Indians might think would be of some residual value to them, more so than the roads which the Shoreline company would build. However, I submit that for $276,000 the Beaufort company could afford to build many, many miles of road on that reserve and in that area. In fact no matter how I look at it, having examined the tenders I come to the conclusion that the Shoreline bid was a better bid for the Indians than the Beaufort bid.

Much has been said about the Beaufort company's training plan. Well, any company working on Indian reserve timber and which under the terms of its contract is required to employ as much Indian labour as possible, is going to be concerned about a job training program. In its own interest it will be concerned to see that those Indians working for it are well trained. As a matter of fact there is no reason to believe that the Beaufort company would have instituted a training plan that would have provided any more for the Indians than that offered by the Shoreline company.

So far as reforestation is concerned, perhaps I am a little ignorant about the coast of British Columbia. I only happen to have lived all my life there and to have logged in almost every area of it. I notice the statement has been made that reforestation is urgently required up there, or words to that effect. The government of British Columbia are very concerned about reforestation under the sustained yield policy. I do not believe they have ever planted a tree in the provincial forests along the coast north of Alert bay. There is no need for it; God and nature do the job much better than man can. The real problem of reforestation up there is that after a number of years the regrowth is so thick that what it actually requires is thinning. Therefore if the Beaufort company had really been sincere in their concern for the future of the forest on this reserve and the future welfare of the Indians, they might have left a few hundred thousand dollars to be paid to the Indians for thinning at some future date.

Miss LaMarsh: Is my hon. friend suggesting that these 8,000 acres, which on one hand we are told are just scrub, do not need replanting?

An hon. Member: No, they do not.

Mr. McQuillan: I doubt whether anyone, even the hon. member for Niagara Falls, could successfully grow trees on that so-called scrub area.

Miss LaMarsh: I am not about to try.

Mr. McQuillan: The soil conditions are such—

Mr. Starr: Don't underestimate her.

Mr. McQuillan: Mr. Chairman, I would remind the committee of the line in the old poem, "Only God can make a tree". The addition of this hypothetical sum for reforestation that the Beaufort company used was padding. There is no question about it; they padded up their bid. The figure of 60 cents per 100 cubic feet, or approximately $1 per thousand feet board measure, is just trying to kid the troops; it is trying to kid the Indians and the departmental officials, but I do not think the company was successful in doing that. I think in their negotiations with the Indians some representatives of this company have been speaking with a forked tongue. As far as the roads used for the actual logging operations are concerned, there is no reason to believe that the residual value of the roads left by one company will be any greater than the residual value of the roads left by another.

To come back to these 8,000 acres upon which the Beaumont company placed a value, from the best information that was available it apparently was not considered to be much of a forest area. The Beaufort company did not undertake to log it, as far as I can see. They asked to have the area included in the licence for which they were applying together with the other 4,000 acres. All they undertook to do was to pay an annual rental of 20 cents per acre on these 8,000 acres —

Miss LaMarsh: If the department approved.

Mr. McQuillan: I am sorry; I did not hear the hon. lady's interruption.

Miss LaMarsh: Mr. Chairman, I think the hon. member ought to be honest—

Some hon. Members: Oh, oh.

Some hon. Members: Sit down.

Mr. Starr: Withdraw.

Miss LaMarsh: This particular clause says "if the department approves".

Some hon. Members: Withdraw.

The Chairman: Order. I cannot hear three hon. members at once. The hon. member for Comox-Alberni has the floor.

Mr. Broome: Mr. Chairman, the hon. lady said the hon. member should be honest. The hon. member knows and can say more about this subject in one minute than she will know in her whole life.

The Chairman: Order. The hon. member for Comox-Alberni has the floor, and I will hear him.

Mr. McQuillan: Mr. Chairman, I hope the hon. lady will not attempt to attach the stigma of dishonesty to me again.

Miss LaMarsh: Mr. Chairman, I regret that remark. I do not at any time suggest that the hon. member is not honest. I believe he is. But I ask him to be fair at least in reference to this particular clause, because it is only with the approval of the department.

Some hon. Members: Order.

Mr. McQuillan: This company placed a fictitious value on their bid wherein they undertook to take over these 8,000 acres and pay an annual rental of 20 cents per acre per year until such time as they decided whether or not to take some timber off the area, if there was any commercial timber on it. If there was any commercial timber on it they assumed they would get it for the upset price they bid for the timber in the area that had been advertised.

I do not think the department would have been wise to agree to this sort of proposition, because they would have held that timber for 10 years under the terms of the contract, and at the end of 10 years, if they

did not decide to log it, they would have left it as it was when they acquired the licence. If they did decide to log it they would have had the full benefit of the stumpage value of the 4,000 acres they acquired; and who knows, five years or three years later the timber on those 8,000 acres, while today it is not considered to be merchantable, might be worth twice as much per thousand board feet as the timber on the 4,000 acres now being considered. I have seen that situation occur many times in my experience on the coast of British Columbia.

A number of other remarks were made concerning this timber. It was suggested that this was going to provide easy access for the Indians to Prince Rupert. It is not quite as easy as it sounds, because they would have to travel across a neck of land and then leave their boats at the head of Tuck inlet, which I do not think they would choose to do. A great deal was made of the fact that they had to go out on stormy waters. The Indians have been going out on those stormy waters for generations, for thousands of years, and usually the only time they have suffered a mishap was when they had been to Prince Rupert and were on the way home.

A charge of collusion was made in this committee last evening. The hon. member made it plain that she was not charging collusion against the minister, but she implied collusion of the officials of the department with outside interests. It is very clear to me that the basis for the compaint the hon. member has been making is the fact that departmental officials refused to enter into collusion with the people for whom she is acting as spokesman in this chamber, in refusing to sell this timber on a direct sale basis. That seems to be the whole basis of this complaint, that the department refused to sell this timber to the Beaufort company as a direct sale. To my mind the term collusion could properly have been used if they had agreed to sell this timber as a direct sale to the Beaufort or any other company.

Miss LaMarsh: In all fairness, Mr. Chairman, I should like to repeat what I said last night—perhaps the hon. member did not listen—and I say it again today; that I am not acting for anybody. I have no connection with any of these companies. In my view the two bids should have been rejected and a new tender called for. That is still the position I take. There are only one or two questions I should like to ask to conclude the matter.

Mr. Winch: Would the hon. lady allow another hon. member to have something to say?

[Mr. McQuillan.]

Miss LaMarsh: I should like to ask the minister why it is necessary to have an export licence for such timber.

Mrs. Fairclough: That is not a matter which comes within the ambit of my activities. That is a matter for the Department of Trade and Commerce.

Mr. Winch: I fully realize we have spent some three and a half hours on this subject, but in view of the statement made this afternoon by the minister in charge of Indian affairs I should like to make a few comments.

First of all, I can assure the minister that we in this group are most happy that she has found herself in agreement with the proposition that we tried to promulgate in the space of only ten minutes last night when we submitted that this was such a serious question that it should be clarified and handled immediately in an appropriate manner. We are therefore very happy that the minister has adopted our point of view and informed the committee that in view of all the circumstances she has issued a cancellation order with regard to the entire situation. The old tenders will be cancelled, new ones will be drawn up, and these, I presume, will be in specific terms so that anyone who tenders in future will have to do so on the strict basis of the tender.

May I express regret, however, that the minister did not undertake to do something which I still consider to be essential. Even though she has announced the cancellation of everything that has been done in the past there is still an odour of the past which has to be cleared away. In order that this may be done I strongly believe that a much clearer explanation should be forthcoming as to the manner in which the Indians would have got greater ultimate benefit by the acceptance of the bid on the basis of which this tender was previously awarded. The minister spoke for almost an hour, but I can assure her it was difficult to pinpoint any part of her remarks which might have conveyed that information. How would the Indians have received greater benefit by the acceptance of the one tender as compared with the other? I still believe that this has not yet been made clear, despite all the minister has said. There is still a nasty smell there, and it has to be cleared away. I sincerely hope it will be.

The hon. member for Niagara Falls, when she rose to ask a question, probably had the same thing in mind as I had. I remember what the hon. lady had to say last night in her contribution to the discussion of this important subject. She said that on one of the tenders appeared the statement that the terms were subject to the obtaining of an export

licence. That is matter which in no circumstances comes under the jurisdiction of the hon. lady. I cannot understand how any tender can be marked in that way, let alone be accepted by the department. That is matter which comes within the jurisdiction of a certain council in British Columbia and, I think, of the Department of Trade and Commerce. I do not remember the minister making any reference to this important aspect. Why should there be a tender containing that provision?

Mrs. Fairclough: Mr. Chairman, perhaps I may be allowed—

Mr. Winch: I shall be very brief, and the hon. lady can reply all at once. I do feel strongly that something has to be said here. It has not even been intimated so far, but I think it had better be said. There is rapidly increasing belief, based on a growing volume of information in the last 24 hours, that what has basically caused this turmoil, this problem, is a fight between two companies, the Beaufort Industries and the Shoreline Timber Company, and that behind it all is party patronage—one Liberal and the other Conservative.

Mrs. Fairclough: No Liberals at all involved.

Mr. Winch: One Liberal and one Conservative. This might just as well come out into the open. I do not know why it has not come out before, but I am going to say it. This is what is behind it all—the receiving of timber rights, the receiving of cutting rights which, in the final event, comes within the jurisdiction of a government agency. This might as well be said, and if the hon. member for Niagara Falls has not heard it or does not know it, then I do not believe it.

Miss LaMarsh: On a question of personal privilege, there has been some suggestion by the hon. member that he does not believe I have not heard such suggestions. I have, in fact; but as I assured the house last night there are no members of my party concerned with either of the companies as far as I am aware. As far as I am aware, the two individuals connected with the Beaufort Company are still at least nominal supporters of the hon. lady's party and not of mine, and I know of no individual involved in any way who is a Liberal.

Mr. Winch: I am surprised at the hon. member getting up in that way on a question of privilege. I said that this is the situation as it has come to my attention. I have such high respect for the hon. member for Niagara Falls as to believe she is not so naïve as to state what she just did.

Miss LaMarsh: Once again may I be permitted to reject the imputation which the hon. member is making. I say on my word of honour as a member of this committee, and as a member of the legal profession, that I know of no Liberals who are in any way involved. I ask the hon. member for Vancouver East to name any if he knows them.

Mr. Winch: No. I am now becoming even more confident of the correctness of the information which has come to my attention, in view of the fact that I have made no personal attack on the hon. lady who represents Niagara Falls. I have made no charges against her. I have not even said she has any knowledge of the situation. I have merely said that she must be a little naïve if she does not believe that in the circumstances this is what lies behind the situation. Well, that is the situation and it is coming more and more into the open. Perhaps, now, it will come still further into the open; so let us face it and let us hope that because of certain work and studies made by the hon. member for Niagara Falls more light will be thrown on this matter. I wish to heaven that I had the hon. lady's sources of information. Maybe I could do a better job in this house if I had, but companies do not make their papers available to me. I think the hon. lady has done a service by raising this question. I hope others to the best of their knowledge have been able to do the same. I will go this far. If the minister had not made the announcement she did at the conclusion of her hour long statement this afternoon I was going to urge the house to refer the entire matter in all its complexity to the joint committee on Indian affairs of the house and Senate. That is not now necessary because of the minister's statement.

I hope it will be made clear in the new tender that its detail, meaning, limits, operation and method of handling are to be free of political considerations so that no one can point a finger at anyone in the civil service charging that political activity occurred with respect to a matter affecting the Indians who come under the charge of the people of Canada through a department of government represented in the House of Commons by the hon. lady.

Mrs. Fairclough: Mr. Chairman, I wish to thank the hon. member for his remarks. I must say I agree with him. I also agree that conditional clauses are not a good thing. I do not condone this and I am sorry it happened. I can assure the committee it will not happen in the future. Hon. members will realize, of course, that these calls are prepared and go out. They are not the type of

detail that necessarily comes to the minister's desk. My intervention in this matter occurred only after protests were raised.

We shall try to make it clear to the Indians what the situation is so that they will understand the matter. I agree with the hon. gentleman that this is basically a fight between two companies. It has been attended by a great deal of, let us say, extracurricular activity. Lobbying methods, publicity methods, and so on, were employed, but that is the usual thing. We have had this before in other contracts. We try to iron out these things and as I mentioned before we always endeavour to get the best deal for the Indians.

With regard to the hon. member's charge of political considerations entering the question, I must plead innocence. Possibly I, too, am naïve but I did not even know who were the principals of these companies until the protests were lodged. I still do not know who the principals in the companies are. I know only the names that were mentioned in the debate last evening. I suppose it would be possible to find out by writing to the provincial secretary and asking who are the directors of the company but I do not think I would do that—

Mr. Winch: You can ask your own office in Vancouver.

Mrs. Fairclough: I have not had an opportunity to do that, of course, although if I wished to do so I could call the Vancouver office by long distance telephone. However, I would prefer to judge this thing on an objective basis and it is on that basis that I propose to take the action I indicated previously. I hope the final outcome will meet the satisfaction of hon. members of the committee, in the first instance, but that primarily it will be in the interests of the Indians.

Mr. Pickersgill: Mr. Chairman, before this matter terminates there are a couple of points I wish to raise. I do not wish to deal with anything that has happened but there are a couple of points that trouble me about what may happen notwithstanding the very wise course the minister has decided to take in this matter, and I commend her for taking it.

One point concerning which the minister did not enlighten us—and this was dealt with in the remarks of the hon. member for Niagara Falls—is the question of what the status of the department is vis-à-vis the Indians, whether there had been a surrender and, if so, what the nature of the surrender was, and if not, why not.

I was not here yesterday and have not had time since reading *Hansard* to examine the statute and see what the statutory provision is. Perhaps the minister could tell me immediately what it is. My recollection is that it would be possible to make a contract for one year without having a surrender but not for a longer period. However, that may not be the case.

Whatever the legal situation is it seems to me that before any attempt is made to make any contract with a new contractor a surrender should be made or, if a surrender is not necessary, a resolution should be adopted in very precise language. That language should be embodied in the tender call and strictly adhered to in the matter so that there would be no ground whatever for complaint or misunderstanding. I suggest to the minister that that be done before any attempt is made to call for tenders from anyone.

The second point I wish to make which in my opinion is also very important is that the minister cannot satisfy me and I do not think she can satisfy any member of the committee by saying that export permits are a matter for another department. The minister is a trustee for the Indians and she should not have asked for a tender before clearing up the matter of export permits in her capacity as trustee for the Indians. I do not know why export permits are necessary and I must say I was rather surprised to hear it. Surely timber is not a strategic commodity and surely it is not in short supply in Canada. There may be some quirk in the act or it may relate to some provincial regulation that the federal government is seeking to enforce although I doubt whether any provincial regulation would apply to an Indian reserve. I think the minister ought to clear up the matter and tell the committee what the situation is.

It is really perpetrating a fraud on the Indians and on the contractors to suggest that they can make contracts to cut timber for export until they know the terms and conditions under which it can be done. It is not good enough to say it is a matter for some other department when the minister ought to be dealing on behalf of the Indians with that other department to make sure that a contract of this nature can be carried out.

I am not seeking any answer from the minister now. What I am doing is recommending that before the matter is proceeded with further this question be completely cleared up and that it be indicated in the tender call that the timber can or cannot be exported, and by whoever is successful. If the Department of Trade and Commerce is going to be allowed, if it has the power, to discriminate against one tenderer as compared with another, that is a pretty state

of affairs that ought to be cleared up before any transaction of this kind is undertaken. There were implications that there might be something in that which I hesitate to believe, but it is not good enough to brush it off. I know they do not act like it but hon. members opposite are supposed to be members of a government with collective responsibility. In this instance I suggest strongly to the hon. lady that she act like a member of the government and not like an independent power.

The third point is that I do not think anyone can feel very happy after listening to the letter read by the hon. lady for Niagara Falls. It is quite true, as the minister said, that when I was minister this firm was retained. It is also true that since the present minister took office this firm was also retained. I have no criticism of either of these things because there is nothing in connection with either of them to my knowledge that anyone could criticize, but it does seem to me to be extraordinary conduct for someone, immediately he has completed a contract, to provide information which other people seem to have been told was confidential information—

Mrs. Fairclough: Published information.

Mr. Pickersgill: Well, if it was published information why did not the hon. lady correct something—

Mrs. Fairclough: I did. I already said that.

Mr. Pickersgill: The minister said that the information was published?

Mrs. Fairclough: I said the information was published. Perhaps I should not use the word "published". It is public information. It is available to anyone who asks for it and it is public knowledge that this information is available.

Mr. Pickersgill: I must say I did not understand that from what the hon. lady said. If that is the case, of course, that quite alters the situation. However, I did not understand that from what I read of the debate last evening. I tried to listen attentively today. No doubt the hon. lady noticed that I was endeavouring to follow her remarks closely. I was really quite concerned about it. If the information is equally available to everyone, that alters the situation. However, it seems to me that it is still likely to create a bad impression for someone, the moment he fulfils a contract in a professional capacity, to be forming a company and bidding on this business on the basis of that previous experience. I do not say that if the information is equally available to others it is necessarily wrong.

Mr. Macdonnell: May I ask the hon. member a question?

Mr. Pickersgill: Yes.

Mr. Macdonnell: I think the point made by the hon. member is a very important one. Does he make that last statement without qualifications, namely that this man in the course of his business—and I take it quite properly—having obtained certain information which is not confidential, is limited in his use of it? Is that what the hon. member is saying?

Mr. Pickersgill: No. I am not saying that at all. What I am saying is this. There is apt to be a misunderstanding if a company is formed so quickly afterwards by someone who has had this kind of professional connection. I think the hon. member for Greenwood has a sense similar to my own in these matters. I would take it that he would prefer not to be associated with such a matter so soon after he had had this professional connection with the department. It is apt to give rise to the kind of thing that has arisen in this case. But what I think is certainly very dubious procedure if the letter that was read was an authentic letter, was for these gentlemen to go out and suggest that this firm could use its influence to get a contract for another company and get a percentage on it. I did not like that. I did not think that we had that sort of thing here. I have read about these people in another country. However, I did not like it at all and I did not think the hon. lady liked it either.

Mrs. Fairclough: No. I did not like it either, regardless of whether or not it was proper business procedure. But in any event, as I said a little while ago, he would not have gotten away with it because he could not have possibly made good his offer.

With regard to the matter of surrender may I say that, after all, this is a crop that is being taken off. It is not the surrender of land as land.

Mr. Pickersgill: I know that.

Mrs. Fairclough: However, the details of the contract will be presented to the band and efforts will be made to ensure that they understand the implications of any future tenders which are forthcoming.

With regard to export permits may I say that I think the hon. member has sufficient knowledge of governmental affairs to know that the Department of Trade and Commerce would hardly give an export permit to an unknown person for an unknown type of material. If my information is correct I think the line is drawn with regard to timber as to the type which it is expected to export. For instance, I think there may be some difficulty

in some places in getting permits to export fir, but with regard to some other types of lumber the acquisition of an export permit is almost automatic. Again I am not sufficiently well versed in the affairs of export permits and the department's activities in this field to make a firm statement. However, I do not think this is a field in which the department can secure for a third party a permit to export X products in X quantities. Therefore, I really cannot agree with the hon. member there.

Mr. Pickersgill: I might point out that I do not regard the Indian affairs branch as exactly an unknown quantity. After all, the price that the minister can get—and that is what she is doing; she is acting as trustee for the Indians—for this timber is perhaps going to be dependant upon whether or not it can be exported. Therefore the minister as superintendent general and as trustee should find out from her colleague first whether or not export permits for this tract of timber in these circumstances will be available. On that fact would depend the kind of business transaction she could make. She is not like anybody else; she is not like the minister in any other department. She is a trustee in a very special sense. That is something of which I am sure she is well aware.

Mrs. Fairclough: I am quite willing to explore the proposition which has been put forward by the hon member. However, before I leave this debate—and I presume it is over now—I may say this to the hon. member who has just taken his seat and who expressed concern about whether or not the information was available to all parties. I refer him to page 1725 of *Hansard*—I have now looked the matter up—and the remarks of the hon. member for Niagara Falls. I think he will find that she said that the department, in letters of May 24 and June 25, gave Beaufort the same information as that contained in the letter which was read.

Miss LaMarsh: May I make one inquiry of the minister. If in fact, all of this information which F. G. J. Johnson and Associates Limited obtained is readily available, can she speculate why Mr. Johnson was of the opinion that it was saleable information?

Mrs. Fairclough: For all I know, he may have written the letter in response to an inquiry. I do not know what went on previously. I am not a mind reader. I would not indulge in speculation on this matter.

The Deputy Chairman: Shall vote 618 carry?

Mr. Winch: I should like to discuss something further under this vote, Mr. Chairman. It is not on the same subject.

The Deputy Chairman: It being five o'clock it is my duty to leave the chair in order that the house may proceed to private members business, in pursuance of standing order 15.

Mr. Speaker: It being five o'clock the house will proceed to private members' business as listed on today's order paper, namely private bills and public bills.

PRIVATE BILLS

COCHIN PIPE LINES LTD.

The house in committee on Bill No. S-6, to incorporate Cochin Pipe Lines Ltd.—Mr. Nugent—Mr. Martineau in the chair.

On clause 1—*Incorporation.*

Mr. Benidickson: I was a member of the committee that examined those who are interested in having this bill passed. I am not rising in order to take any objection to the passage of this particular bill. I have received no specific complaints from anybody or any indication that anybody should stand in the way of its passage. However, it was brought out that the applicants for this charter were reluctant to spend even $50,000 for the purposes of getting information as to the feasibility, as it was called, of their program, despite the fact that, having regard to the proposed share capital, we have in contemplation a $4 million company.

My information is to the effect that this is the first time the committee on railways, canals and telegraph lines has been prepared to grant a charter before the applicants for the charter had taken the matter sufficiently seriously to invest a modest amount of their own money in a feasibility study of the project. I am informed that if that is to be the policy in the future, a precedent of some consequence may be established here.

The suggestion was made that now that we have a national energy board, parliamentary responsibility is practically removed. I cannot believe that is the intent of the statute or we would not be insisting that a parliamentary charter is required in connection with the pipe line business. It was also brought out that the circumstances are perhaps unusual this session. The applicants may have come to parliament without some of the advance work or preparation of feasibility studies that have been presented in the past because there may be an inclination to believe that we might not be here for very long. I think the committee was prepared to be generous, having regard to these circumstances.

Then I do point out that we have notice on the order paper today of a bill for the incorporation of another pipe line company. I believe the government should look at this

matter. They amended the pipe line legislation, and I think we should be informed soon as to whether or not it is the wish of the government that henceforth it will be possible to obtain a charter for a pipe line company without the applicants having probed very deeply into the feasibility of the project; that they should come forward with practically no personal investment prior to the application for a charter. I am told that a charter of this kind, just assuming that the present applicants do not do anything else, has a considerable commercial value. If hon. members will look at the clauses of the bill they will see that, while we are told the intention is to build a particular pipe line from town A to town B, there is nothing in the bill to restrict the applicant to the building of a pipe line over that particular route.

While I am not proposing to oppose this particular application, in large measure because of the uncertainty of the length of this session, and while I have no animosity towards the applicants—I know none of them—and no one has approached me who has an interest in another pipe line to indicate that this pipe line application should be opposed. I do believe this question should be examined by the minister concerned. He should be very careful in the future as to whether or not people, without any feasibility studies and with practically no investment except legal fees, should be able to come to a parliamentary committee and obtain a charter, thus obtaining something with the substantial value connected with a charter of this kind. We should consider carefully whether or not they should be able to obtain this charter without restriction, and convey that to persons who are not referred to in the list of applicants for incorporation.

Mr. Winch: I should like to follow up the remarks made by the previous speaker. I have been told that a charter of this type has extraordinary commercial value. I have been told further that it is most unusual to have the House of Commons and Senate asked to give powers in such a bill without any particulars as to what is to be done once the pipe line bill is passed.

I recall that on the introduction of this bill certain statements were made by the sponsor. I draw attention of hon. members to the fact, as I gather the previous speaker did, that nowhere in the clauses of this bill are we told the specific purpose for which this bill is being enacted. In the past nine years we have incorporated quite a number of pipe line companies. If my memory is correct, in all of those bills there was at least some outline of what was going to be done, where the pipe line was going to function and for what purpose.

Mr. Benidickson: No, that is not so.

Mr. Winch: In most of them, I think you will find a specific statement of the purpose of the bill. You will find general powers, yes. I am referring particularly to the bills we have dealt with in the last two years. In this bill you will also find certain absolute powers. I know we should not refer to the clauses at the moment, but hon. members should look at the powers set forth in clause 6. This clause grants absolute powers not only for development, for operations, maintenance, control, leasing, mortgaging, hypothecating, and so on, but also powers of a provincial nature, an interprovincial nature and an international nature.

I say therefore that when we have a bill in which the particulars are not set forth, that is the building of a pipe line from town A to town B or whatever it is, we have a responsibility to ask the sponsor for the most complete information in connection with the bill. I think, too, we have a responsibility to ask the minister of the crown for his advice about passing such a generally all-powerful bill of the nature of the one before us.

Mr. Nugent: I wish to give the committee a little more information. Apparently the hon. member for Kenora-Rainy River, who was in the standing committee, found the evidence given was not such as to satisfy him on the feasibility of the project. With all due respect, I think that perhaps we did not give quite enough information about the people forming this company. Information was given that this will be a wholly owned subsidiary of the Bannister Construction Company Limited, which is a purely Canadian company. It is a very large company in the pipe line contracting business and has many years experience in the building of pipe lines throughout Canada, from Canada to outside countries, and so on. They have very competent engineers and economists. They are always studying this question of where and when a potential market for transporting oil or gas or petroleum products may arise, because that is the sort of thing they have to investigate in order to plan ahead for their own pipe line operations. I suggest that when these gentlemen come into the house and say that they see a potential market here, it is not quite fair to say there is no feasibility study at all and that there is an additional sum of $50,000 to $150,000 which they will have to spend after they are incorporated in order to justify what they believe now, by really examining the market and examining

in detail all these things with which they have some experience and about which they have some reason for believing, are very feasible.

However, this question of whether they should have done this extra detailed feasibility study is complicated by one point that I do not think was brought out too clearly here, although it was before a Senate committee. In Canada there are in existence several pipe lines which have powers about the same as this one and which, having a dominion statute, could find it necessary to go before the energy board of a province, or the national energy board where it is between two provinces, and we would find such companies perhaps being empowered to do something that had never been contemplated when we first granted the acts to incorporate them.

Not only that, in this particular field certain of these gentlemen have a very good idea of potential market that may or may not be large enough to warrant starting construction now, but which they feel is going to be large enough very soon to require a pipe line and have the capacity to support a pipe line. They feel that since this is such a natural prospect there is nothing to stop anyone else now having a pipe line from taking a look at it and jumping to the national energy board to ask for permission to do this. In order to complete their move with the national energy board they have to be incorporated and it seems to me to be good planning on their part, once they are satisfied that there is the potential and that it is worth while going after, to get into a corporate position so that they would not be behind the eight ball if anyone else took up the idea once it became public.

I suggest, in order to be fair to these gentlemen who have seen the potential and are prepared to do this, we should allow them to get their corporate status so that they would not be in an unfair position with respect to anyone else who would want to seize on their idea and beat them out of it.

As to the particulars in this bill, we have not asked for a specific power to go from Hughenden, Alberta to Melville, Saskatchewan. The feasibility study might possibly extend the line a few miles past Melville. Since this is a new and growing industry there is every possibility that in years to come there will be a necessity or a need to extend the pipe line further, and I suggest it would be unduly restrictive on the company to come in and ask for a specific line from one point to another and then, following the feasibility study, have to come back to parliament to amend the bill so that it could change that again.

[Mr. Nugent.]

I suggest that the powers conferred by this bill are not out of line. I took the trouble to check the other statutes and, having done so, I found nothing in this one that was out of line with the general powers conferred on other pipe line companies, and I do not think it is so broad a power that it would be abused. I suggest there must be a certain amount of flexibility and I suggest to hon. members of the committee, in that this is a new sort of project in a new area where there is an increasing demand for propanes, butanes, and the like, that this company does need as much flexibility as is provided, and I hope hon. members can see it that way.

Clause agreed to.

On clause 2—*Provisional directors.*

Mr. Benidickson: Members of the committee will recall that I asked counsel for the proposed company to what extent they had looked at precedents and to what extent this bill closely followed the pattern of previous pipe line bills, particularly recent pipe line bills. The hon. member for Vancouver East said that in relation to some previous bills he thought this one was open to criticism because it did not specify the route. I do not think that has been a customary practice in the incorporation of these companies.

However, if we do not have the feasibility study and if we do not have a particular route, as in the case of railroad licences, I would like to know why these companies come to parliament at all if we are simply to be a rubber stamp and take the attitude that the national energy board will look into this later. I think the minister should review the parent act to see whether we should take up our time in the House of Commons in this way when the pattern is the same as in previous bills dealing with routes "within or outside Canada" interprovincially or otherwise. I do not know why we should seek to deal with these matters whatsoever.

In connection with clause 2 I would raise this question for the committee. To what extent is it a departure from recent pipe line bills? I find a rather important one here, particularly important to those of us in the House of Commons who remember when the Conservative opposition had a great deal to say about "Canada first" in connection with pipe line activities. That was the cry right across the country in the 1957 and 1958 elections—protecting Canadians and protecting assets such as pipe lines for Canadians. They created a great horror around the country with respect to the word "export", but now this sponsor has indicated to us that the right to export is the same although we do not know over what route.

To me it seems significant that the last pipe line bill seeking incorporation of a company last session—although there may have been others and I have indicated I was not a member of the committee for some years—contained the following as clause 2, which became section 2 of the act of incorporation:

(1) The persons named in section 1 of this act shall be the first directors of the company.

I am referring to the Aurora Pipe Line Company, the act respecting which was assented to on July 13, 1961. Therefore it is one of the most recent pipe line measures passed by the house, and it has an additional subsection (2) in section 2 which reads:

All the directors of the company shall at all times be Canadian citizens ordinarily resident in Canada.

There is nothing of that kind in this bill. I had not looked at the precedents before going to the committee meeting but had relied on counsel for the company to point out to me in what way this particular bill differed in so far as some other recent parliamentary incorporations were concerned.

I just point this out to hon. members on the government side who talked so much about keeping these matters Canadian. Now they are apparently prepared to accept this form of incorporation which is in no way comparable to what was in the bill to which I refer.

Mr. Nugent: On that I would first point out that these are all Canadian citizens. It is all Canadian money. It is going to be a subsidiary of Bannister Construction Company, a company which has always had all Canadian directors. Perhaps they felt it was not necessary to put that clause in, not having any other plans. I wish that had been asked of the company's solicitor in the committee. I never thought to ask it, but I am sure that is the situation. These are Edmonton residents; they are Canadians; it is a Canadian company and intends to remain that way.

Mr. Benidickson: There is not anybody here so naïve as not to know it is possible to transfer shares from a Canadian to a non-resident. At any time it is possible for the shareholders to vote the election of directors, and regardless of what the present intention is, or regardless of the fact that at the moment the people seeking incorporation are all Canadians—I am not in any way questioning their good faith or anything like that—let us not overlook the fact that unless a clause of that kind is included there is nothing to prevent the incorporators selling their shares after the company is incorporated; there is nothing to prevent the directorate of the company being composed of non-Canadians. I am not insisting that they be Canadians, but I am pointing out that in days that I very well remember there was the hue and cry on the part of the people who form today's government that these pipe line companies were being transferred to foreigners and that we should be insisting on Canada first as I remember the slogan. I do not think in this kind of bill that principle is receiving the support necessary to protect the country in this way.

Clause agreed to.

Clauses 3 to 5 inclusive agreed to.

On clause 6—*Power to construct and operate pipe lines.*

Mr. Benidickson: With regard to clause 6, Mr. Chairman, again when I refer to the precedent of the Aurora Pipe Line Company of last year I find they asked for extraprovincial and international pipe lines, but not interprovincial pipe lines. What is the significance of asking for interprovincial pipe lines in one bill and not in another?

Mr. Nugent: I think Aurora was designed to carry a line from Alberta into Montana strictly across an international boundary, whereas this pipe line is designed, in the first instance at least, to carry these products from the province of Alberta into the province of Saskatchewan. It may in the future go further, but that is why it is interprovincial at the present time.

Mr. Benidickson: Mr. Chairman, in connection with clause 6 (a) some legal counsel for whom I have a great deal of respect have said that this clause is much broader than had been possible in some previous pipe line bills. One of the points that was drawn to my attention was that paragraph (a) of this clause says that the rights will extend within or outside Canada to do such and such. It was pointed out to me that in some other bills it was specifically stated that the powers would be confined to certain geographical areas or to certain provinces.

Frankly, I was not very impressed with the fact that we are being unduly generous here when we do not refer to provinces, because the bill of last year to which I referred did, of course, mention some provincial boundaries. It practically took in the waterfront because it mentioned Alberta, Saskatchewan, Manitoba, British Columbia, the Northwest Territories and the Yukon. I do not think this is particularly significant; I think the main thing is whether or not we are going to

grant these charters automatically without having very much information presented to us concerning the feasibility of these projects.

Clause 6 agreed to.

Clauses 7 to 11 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

MADELEINE FRANCOISE HANKOWSKI

On the order:

Second reading of Bill No. SD-1, for the relief of Madeleine Francoise Hankowski—Mr. McCleave.

Mr. R. J. McCleave (Halifax): Mr. Speaker, perhaps orders Nos. 2 to 103 could stand today.

Mr. Speaker: Is the hon. member suggesting that these orders stand without any direction as to printing them on the order paper?

Mr. McCleave: I think it would be convenient if they were held off this Thursday but restored next Tuesday and thereafter at the proper times.

Mr. Speaker: There is some economy involved and I am trying to estimate when the house may be ready to deal with these matters. If they stand off the order paper until Tuesday next, would that meet with the wish of the house?

Some hon. Members: Agreed.

PENSION ACT

AMENDMENT PROVIDING FOR APPEAL TO COURTS

Mr. Jack McIntosh (Swift Current-Maple Creek) moved the second reading of Bill No. C-21 to amend the Pension Act (judicial appeal).

He said: Mr. Speaker, my charge by the introduction of a private members' bill, now numbered C-21, is that the present members of the pension commission are not carrying out the intent of parliament and that the Pension Act as now constituted is, I believe, contrary to the Canadian Bill of Rights.

The purpose of the bill, as set out in the explanatory notes, is to give an applicant for a pension under the Pension Act the right, where the pension commission or an appeal board has ruled against his or her entitlement, to have the decision reviewed by the courts, first on any question of law respecting the interpretation of the Pension Act, and second on those controversial issues of fact which must be weighed, as the courts are used to doing, in the knowledge of human conduct and intention. An ancillary purpose gives the commission itself the right to refer any question of law to the Supreme Court of Canada.

The bill applies to the Pension Act that principle of the rule of law that, to the degree most possible, the decisions of an administrative tribunal or commission which touch the person, property or rights of an individual should be subject to review by the courts.

The United Kingdom has applied this rule of law to as many of its boards, tribunals and commissions as possible in the tribunals and inquiries act, 1958. The British parliament found it was necessary to protect the rights of the individual by guaranteeing an appeal to the courts from arbitrary tribunal decisions. I would submit that a study of only a few decisions handed down by our present pension commission would convince the people of Canada that this branch of the department is in the hands of bureaucrats who circumvent the law because of their powers under section 65(3) of the Pension Act. Section 65(3) of this act states:

> Except as hereinafter otherwise provided every decision of an appeal board of the commission is final.

I submit that this section of the Pension Act conflicts with and is contradictory to the intention of the Canadian Bill of Rights, which to me means that every individual in Canada is entitled to the protection of the courts.

The introduction of this bill probably would not be necessary if I felt that the present members of the pension commission were capable or qualified to perform the duties expected of them by the past and present members of this house. It would seem that the present commission feels that it has the right, under the present Pension Act, to substitute the commissioner's views for the views of parliament.

It is obvious that the basic purpose of the statute is to protect service personnel against the risks to which by reason of their service they were, or are, exposed. There are two main principles which I believe the people of Canada through their members of parliament expected the commission to keep before them; first, that of basic fairness to the taxpayers of Canada, and second, justice to those who have served and are now serving in our forces.

I charge that the commission is not adhering to either of these principles and I would be quite prepared to prove my point in a court of law with evidence presently in my possession. A study of the speeches of

ministers and members of parliament responsible for the implementation of this act would confirm that the pension commission in the interpretation of the various provisions of the act should do so with a view to extending the broadest and most liberal application, consistent with the intention and terms of the statute. In fact, such words have been uttered by our present Minister of Veterans Affairs (Mr. Churchill) as well as by others who held that portfolio before him.

I am sure the people of Canada feel there can be little argument against the nation's providing compensation to a man or his dependants for any disability or death which arises out of, or is caused by, the performance of his duties.

In order to give direction to the commission as to the intent of parliament, section 70 of the act was inserted in 1948. It is commonly called by veterans the benefit of doubt section, and reads as follows:

> Notwithstanding anything in this act, on any application for pension, the applicant is entitled to the benefit of the doubt, which means that it is not necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences and presumptions in favour of the applicant.

Ordinarily, one would assume that such a clause in the act could not be misinterpreted. It is very clear and broad and, as parliament intended, gives the administrative machinery the power to adjudicate claims with all the justice and fairness to which our service personnel are entitled. However the real test of any legislation is in its administration. In many instances the results of the administration under the present pension commission are a mockery of justice and an insult to the present and past members of this house who were charged with formulating the present Pension Act.

The effect of the present legislation has been to establish a tribunal so powerful that its members are a law unto themselves in regard to any application for pension from members of our armed forces. In this branch of the department, as in others, it is government by commission, not by the elected representatives of the people. It would appear the members of this tribunal are not concerned with the thoughts or intent of the members who drew up this act, otherwise they would have reviewed the committee minutes and *Hansard* when this act was passed and amended. The intended broadness of interpretation was expressed on those occasions by many speakers, including the ministers in charge of the department.

It would also appear that the members of the pension commission pay no attention to other aids under our statutes which would assist them with interpretation if there was any doubt in their minds. I refer now to section 15 of the Interpretation Act which applies to all our laws, with the exception of the criminal law, and which states:

> Every act, and every provision and enactment thereof, shall be deemed remedial whether its immediate purport is to direct the doing of anything that parliament deems to be for the public good, or to prevent or punish the doing of anything that seems contrary to the public good; and shall accordingly receive such fair, large and liberal construction and interpretation as will best ensure the attainment of the object of the act and of such provision or enactment, according to its true intent meaning and spirit.

This section of the Interpretation Act was inserted on the basis that the law as it existed perhaps did not do justice to some person, or group of persons. Therefore parliament gives the person or persons affected a right and a remedy.

A judge, I am informed, looks for the person whom the law was intended to benefit. In connection with the Pension Act, it would be a veteran or a veteran's dependants. In applying the law he gives the right and the remedy to these persons. A court gives to the words used by parliament a large, fair and liberal construction so as best to ensure the object of the act which, in the case of the Pension Act, is to give the veterans and their dependants rights and remedies which they did not have before the act was passed—in other words, justice.

The Pension Act as amended is a remedial statute. To illustrate how small and narrow the thinking of some of the members on the pension commission can be, I would refer hon. members to the evidence of the vice-chairman of the Canadian pension commission, as recorded on May 18, 1961, in the minutes of proceedings on veterans affairs. Referring to one case, the reason for the decision was as follows:

> He went across the street and delivered the message, stepped out of the door and was hit by a truck. If he had been hit going in the door, before he had delivered the message, he would have been pensionable; however, he was hit when he went out the door, and he was not pensionable.

In a communication from the chairman of the pension commission, I am informed that the commission in making its decisions is governed by certain guiding principles largely based on precedent. If the statement of the vice-chairman to the veterans affairs committee regarding the individual who was hit by a truck after he came out of the door is an example of a precedent used by the commission in establishing a ruling for other cases, we can understand why there is such widespread dissatisfaction with this method of adjudication, because the reason for the

decision is ridiculous and asinine; it could only be dreamed up by very narrow-minded persons.

I further charge there is no consistency in the reasons for the decisions handed down by this board of bureaucrats. I refer once again to the additional remarks of the vice-chairman of the commission as recorded in the minutes I made reference to a few moments ago. As reported at the bottom of page 281, he states in part:

> However, if on the other hand he was warned to go on mess parade and then slips on the steps of the mess hall, since a mess parade is not obligatory . . . that is not a valid reason and if he was hurt, he would not be pensionable.

There are many cases on file where the decisions of the board are absolutely contrary to the information given to the members of the veterans affairs committee by the vice-chairman of the commission. I have the records of one case dated June 20, 1955, which in part state as follows:

> On leaving the mess hall, he tripped on a small obstruction on the landing in front of the mess hall door and fell down the exterior mess hall steps. The board found that the evidence established that the accident was sustained during service in the course of carrying out his duties and that the injury must be considered to have arisen out of, and to have been directly connected with, his service, within the meaning of section 13 (2).

Either this decision was wrong or the information given to the committee by the vice-chairman was wrong. The two statements are in direct contradiction to one another.

Bill No. C-21 is a bill to amend the Pension Act to provide the veteran and the serviceman and their dependants with an appeal to the courts from a decision of the pension commissioners on points of the interpretation of law. The bill also provides that the power given the board to define its own constituting act shall be subject to review by the Supreme Court of Canada. In my opinion, a commission is the poorest judge of its own measure and particularly in this case where the members of the board have no specialized knowledge. There is a principle of British law that every member of the public has a right of access to the courts to determine his rights under the law. Let us see that our service personnel are granted this same privilege.

I am aware, I may say at this point, that the Royal Canadian Legion has, on occasion, not agreed with what I am saying today and that at its Edmonton convention held two years ago the Legion asked the dominion executive council to bring in a report on the desirability of establishing an appeal from the pension commission to an independent authority. The veterans welfare advisory committee decided that such a vote was not desirable for the reason—and I quote in part—

that "The present legislation and procedure is basically sound". I suggest it is not basically sound, because it is contrary to the British theory of constitutional law which states that the subject always has a right of appeal to an independent judiciary body. Section 5 (5) of the Pension Act reads as follows:

> The commission shall determine any question of interpretation of this act and the decision of the commission on any such question is final.

The question I would ask at this point is: how is the executive of the Royal Canadian Legion going to force members of the pension commission to interpret the Pension Act in a basically sound manner, or in the way parliament intended in the first place?

The executive of the Legion in another part of their report make this statement:

> The pension commission interprets the benefit of doubt clause to mean that the veteran must create the doubt.

Surely the Canadian Legion does not agree with such an interpretation. In fact, a reference to their objection on this very point is made in each of their briefs dealing with section 70 of the Pension Act. I have three briefs here and in each they disagree with this interpretation of section 70 by the commission. Time does not permit me to place on the record extracts from the briefs.

I direct the attention of hon. members to words spoken by the present Prime Minister when he was the private hon. member for Prince Albert as reported at page 5895 of *Hansard* of July 12, 1956:

> —I believe that in such a case as this consideration should be given to the amendment of the Pension Act so far as interpretation of the law is concerned so that recourse to the courts will be available to any aggrieved person to ascertain in the courts whether or not that person comes within the ambit of the legal definitions provided in the Pension Act.

May I conclude my remarks on this measure by quoting a portion of a letter I have received:

> Our Canadian veterans and servicemen preferred, and still prefer, to die on their feet. Dead—their widows and fatherless children are required to live on their knees before the officials of the Canadian pension appeal board.

I solicit the support of all hon. members of the house and particularly veterans in the passing of this bill.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, this is a rather lengthy bill considering that it is a private member's bill. While we may not agree with all the details set forth in it nevertheless I believe the general principle of the bill is sound and because at this stage we are concerned only with the principle I should like to indicate my support for the measure.

I cannot, however, go along with the sponsor of the bill in his remarks about the pension board. I feel we should debate this bill on its merits and not on the merits of the personnel comprising the board or their competence to administer this legislation.

I support the bill because I believe it is basically sound that every person should have the right to appeal to a court of justice if he has a grievance. Without that, as the hon. member said, we have government by commission.

My own experience with the pension board has been somewhat different from that outlined by the hon. member. Hon. gentlemen know there is one matter about which I have complained over and over again. But by and large my experience with the pension board is that they have gone all out wherever possible to give favourable consideration and to extend the benefit of doubt in cases I have brought to their attention. I think that is even more true of the present board than it has been in the past.

However, I feel we must all agree that there is difficulty when a body confines itself to the interpretation of just one set of laws. There is a tendency to become routine and mechanical in the judgment of different cases and to overlook the relationship between the law that body is administering and the greater body of law which might be related to it. The sponsor of the bill mentioned the relationship of the veterans charter to the Interpretation Act. That is certainly one consideration; but there are others. I feel there is a general spirit which pervades all the laws included in the veterans charter and that general spirit, I think, reflects the spirit of parliament itself. When there is a conflict between the letter and the spirit of any particular law I think that should be subjugated to the overriding spirit of the legislation as a whole.

Apart from that there is the overriding spirit of the British North America Act which is our constitution and certainly all our laws should be interpreted within that framework. The one exception to which I referred a while ago, a question which I have frequently raised in this house, is in relation to the interpretation that has been placed on veterans legislation with regard to Newfoundland veterans. The terms of union are part of the British North America Act and therefore part of our constitution. I feel that any interpretation of veterans legislation should be interpreted in the light of our constitution.

I believe the present legislation, worded as it is, is cast in language sufficiently broad to include Newfoundland veterans under the veterans charter, but the pension commission that existed at the time of confederation when this problem first arose chose to interpret it in a very different manner. Regardless of the fact that the definition of a veteran under the War Veterans Allowance Act, the Veterans Rehabilitation Act and the War Service Grants Act is broad enough to include a Newfoundland veteran the wording is not clear in the Pension Act. Although it could be interpreted as being broad enough to include Newfoundland veterans the pension commission chose not to interpret it as being sufficiently broad. Consequently Newfoundland veterans are treated as Canadians who served in the imperial forces rather than as Canadians who served in the Canadian forces.

I use that example to illustrate the point brought out by the sponsor of the bill that there is need for an independent authority to examine decisions from time to time. It is only human to make wrong judgments. Certainly every Canadian, especially now that we have a bill of rights should have an opportunity of taking his grievance before a court of law.

I do not intend to speak at length. Time is passing quickly and I know other hon. members wish to express their views. I support the general principle of the bill because I feel it is in line with the bill of rights and provides an additional safeguard for the veterans. It is one more step toward ensuring the welfare of our veterans. The principle of the bill is in line with the spirit of legislation we have already passed.

With respect to the charges that have been laid against the personnel of the pension commission I presume the minister will have something to say on their behalf.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I read this most interesting bill very carefully. I appreciate the hon. member's concern for the welfare of veterans and their dependants. I know his motives are lily white. It is evident the hon. member has given considerable thought to the problem and has spent considerable time in the preparation of the measure now before the house. The vigour of his remarks is further evidence of his deep concern for the matter and his quite unusual attack on the personnel of the Canadian pension commission is evidence of his strong feelings in the matter.

I might say that the principle and purpose of this bill have been discussed over a great number of years by veterans organizations and other people concerned with the welfare of the veterans and their dependants. The very same principle and purpose have also been discussed by trade unions all across Canada in reference to various workmen's compensation acts. It is natural for the subject

repeatedly to arise and for persons to consider that there should be an appeal to the courts against a decision of the commission and of what the hon. member would term—and I can well understand his point of view—established bureaucracies. However, the veterans organizations throughout the years have studied this question.

I have had some experience with the Canadian Pension Act since 1939 as an active officer of the Royal Canadian Legion, as a member of this house and as a member of the veterans affairs committee. I have listened carefully to these arguments because they merit careful consideration whether they are in support of the principle for amendment to the Pension Act or to the various workmen's compensation acts across Canada. However, in every case to date the discussion has ended, as the hon. member has pointed out, in the organizations in question—and I also mention the labour organizations—rejecting the principle and purpose of the bill as not being in the best interests of the pensioner and dependants or, shall I say, of the person on compensation. They considered—and I am just repeating their views—that there was a greater hazard to these persons directly concerned in providing for an appeal to the courts than there was in improving the legislation. I must say this. While on occasions I have differed with the Canadian pension commission in their decisions, as I am sure have many others in this house, we must remember that the Canadian pension commission is a group of citizens who are all veterans, and who have been given the responsibility of administering the Canadian Pension Act. Without doubt, from our point of view, they err on occasions.

However, I was rather surprised to hear the usually genial and mellow member's caustic comments on this occasion. As I said, the commission members are all veterans and I am sure they have at heart the welfare of veterans. The chairman, as a matter of fact, is an appointee of the present government. I think he has rendered good service as chairman of the commission, as have other members of the commission throughout the years. We must remember that the decisions of the commission are in the main based on medical evidence and on hearings that are held and the various procedures under the Canadian Pension Act to which effect is given. As I said before, while on occasion without doubt we differ with them in their decisions, the members of the commission have no reason whatever to deny an applicant a pension on any personal ground. It is human to err. They are required to make their decisions on the basis of the evidence before them, and I am quite confident that they make their decisions according to their best judgment.

In my opinion, the remedy for the situation is this. I quite realize that improvements can be made in the Canadian Pension Act. In my opinion and, I believe, in that of the members whom I have the honour to represent in this distinguished corner of the house, the remedy is to amend the Canadian Pension Act so as to clarify certain sections and, in so doing, to remove a certain measure of ambiguity that exists at the present time, thereby strengthening the hands of the Canadian pension commission.

I think the hon. member has rendered a service by bringing to the attention of the house a bill highlighting this problem. I trust his bringing this matter to the attention of the house will cause the government to pay particular attention to the problem presented at this time and to bring in amendments that will clarify the Canadian Pension Act and thus will make the work of the Canadian pension commission less subject to criticism and easier for its members.

In addition to that, Mr. Speaker, I strongly suggest that the hon. member send copies of his bill and copies of today's *Hansard* to the dominion officers of the various veterans organizations across Canada and that he also ask them to make recommendations with respect to amendments to the Canadian Pension Act in order to achieve the objective which I am sure is the desire of the hon. member who introduced the bill and of all other hon. members in this house.

An hon. Member: Six o'clock.

Mr. Speaker: The hour for the consideration of private business having expired, the house will revert to the business which was interrupted at five o'clock.

SUPPLY

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Indian affairs branch—Indian agencies—

618. Operation and maintenance—further amount required, $136,000.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Winch: When we were about to rise at five o'clock, Mr. Chairman, I asked that this particular item be not voted on at that time. I did so, sir, because—and I hope you will

agree with me—I hate to disagree with the minister in certain statements she has made about whether or not we are in order on one aspect of the matters now being discussed. I would draw your attention to the fact we are now discussing vote 618 of the supplementary estimates. This vote is for $136,000 for Indian agencies, operation and maintenance.

If I could put it briefly, Mr. Chairman, it has always been my understanding that when a supplementary estimate deals with operation and maintenance of Indian agencies, we can then raise matters of policy upon which we would like to have information. On that understanding, therefore, that I am speaking only because of vote 618, there is a question which I should like to direct to the Minister of Citizenship and Immigration in her capacity as the minister in charge of Indian affairs. I do so, Mr. Chairman, because it is of the utmost importance in every way that there should be established the finest possible relationship between the government in the operation of the Indian agencies and the Indian agencies in their relationships with our first Canadian citizens, whether they be on reservations or under treaty.

I would, therefore, under this supplementary vote like to ask the minister if she is in a position to give the committee any information relative to the most extraordinary letter that I believe was sent to all members of the House of Commons under date of February 23, 1962, from the Indian defense league of America. In this letter there are some remarkable statements made of a nature which I believe should be clarified and answered as soon as possible in order to maintain the best possible relationship between the government department, the Indian agencies in all the provinces and our first native Canadian citizens. May I, Mr. Chairman, just take a moment to quote from this letter:

> With due respect for the parliament of Canada, we express our opinion to the honourable members, concerning Indian affairs which was consistently evaded in the past by the administration. It is with sincere regret that I draw the attention of the house assembled, the fact that our all-Indian organization was not given the courtesy of appearing before the joint committee of the House of Commons and the Canadian Senate dealing with Indian affairs, thus ignoring our request. We were of the opinion that the august body was to receive representations from Indians organizations with the opportunity of supporting their briefs with oral testimony, supported by official record.

This is the introduction. As a matter of fact, as I went through this letter, sir, I was not quite certain as to whether or not the Six Nations assembly was declaring war on Canada. However, they do say this in the second paragraph of the letter, and this is important because, if my knowledge of history is correct, the Six Nations is a most important body in Canada and many years ago was important to Canada in fighting on behalf of Her Majesty at that time:

> We are aghast at the attitude of the department of Indian affairs. We have been shocked at the evasive replies on questions sent to the department concerning the obligation of protection of the Six Nations under unabrogated treaties with Great Britain.

I know, without going any farther, that the minister will understand why I raise this question. I am certain, Mr. Chairman, that the minister and the members of the committee realize I am taking this course because this kind of letter sent to members of parliament by our native Indians on a matter of this nature, added to the matter on which we spent four hours previously, should be answered as quickly as possible. I hope that under this supplementary vote which deals with Indian agencies, the minister will feel this is the occasion to make a real statement of government policy concerning the attitude of her department to Indian affairs and to answer such charges as these. This letter is sent over the name of the Indian defense league of America, in the name of the Six Nations confederacy, to all members of parliament. If the information is incorrect, then let the minister get up and explain in what way it is incorrect. If there is any way of bringing about a greater understanding, a better relationship, if she has some new policy in mind, surely this is the time to make a statement and not wait until the general estimates are before the committee.

Mrs. Fairclough: First of all, I should like to ask the hon. member, since he did not mention it, from what domicile is that letter? Where did it come from?

Mr. Winch: This is from the Indian defense league of America, home office, box 305, Niagara Falls, New York. According to this, it represents the Six Nations confederacy in the United States and Canada, and includes a letter sent to the hon. members of the joint committee of the House of Commons and Senate of Canada, on behalf of the confederacy.

Mrs. Fairclough: I think the answer is simple. We appointed the committee and, as the hon. member knows, the committee undertook to hear representatives from the various Indian groups. I do not know of the Indian defence league, though I recognize the name of Mr. Antone. I have seen his name on letters from time to time. He is domiciled in the state of New York and it is true that the Six Nations Indians are on both sides of the border. If my memory serves me well the Caughnawagas did not make any representations, although they were invited to

do so and they are a member of the confederation, but the Six Nations Indians at Brantford made two representations. One was made by the hereditary chiefs organization and the other by the elected council organization; so I think in so far as the Six Nations Indians within Canada are concerned, they were heard.

I do not know if that answers the hon. member's question or not, but further than that I would have to refer to the committee itself as offhand I do not recall all who were heard by the committee. However it is certain that an invitation would not go outside Canada to an organization which is an international organization.

Miss LaMarsh: I am somewhat familiar with this confederation as I have the honour to be an adopted daughter of the Mohawks of the Six Nations. I have some knowledge of this particular group since I addressed a meeting of them not too long ago. As the minister said, they are an international organization and they are particularly concerned with some treaties. I had also the honour to be a member of the joint committee for the past year, but not for the first two years.

At its meetings I raised some questions the answers to which rather stunned me, and perhaps the minister can tell me why such answers were given. I had been asked by the Indian defence league to inquire if there was a copy in existence of the treaties signed by John Graves Simcoe. I was informed that the branch did not have copies of these treaties. I inquired if a search had ever been made among the imperial records because they seemed to be so basic to the Indians' view of their rights. As I recall it the director said no research had been made among the imperial records for the originals of these treaties, and since they are so basic to what the Indians believe are their rights I wonder if the minister can advise us why this has not been done.

There is one thing with reference to the matter which we were discussing here this afternoon which my hon. friend from Vancouver mentioned earlier. That is the imputation that some individuals who represented my party were concerned in the matter. I may say that nothing could be further from the truth. Perhaps he and the minister may not know that one of the individuals who acted as agent for the Beaufort firm in Ottawa is a man from British Columbia whose name is Dean Finlayson, which name may mean more to him than to me.

Mr. Fisher: There are a number of questions I should like to put to the minister relating to Indian agencies and the Indians in my area, and I may say that the impetus to raise them at this time comes from several different sources. The minister will remember my asking her a question regarding some criticism made by Chief Crawford Adams, when several weeks ago he was quoted as saying that of the Indians in Canada those in the worst condition that he knows of are in the area north of Port Arthur.

Recently the gentleman from the other place who was honoured in being placed there by the Prime Minister because of his Indian blood, has been in a sense preaching to me, referring to the fact that it is very important I take a much keener interest in the Indians in my constituency because he feels that they are in a very poor and relatively unfortunate condition compared with most of the other Indians in this country. These are two things that have aroused my concern.

I might point out to hon. members who wonder why my interest might not have been higher, that there are somewhere between 3,000 and 5,000 Indians in my constituency. No one is quite sure about the number, and of the 2,500 estimated to have a vote in the coming election approximately 2,000 of them exist well north of the farthest railway line that bisects the constituency. Of these the largest group could only be reached by plane on a chartered flight of 385 or 390 miles from Port Arthur, which is beyond my finances, and the other large group could only be reached by flying in from Val d'Or to Winisk near Hudson's bay. Therefore my interest in most of those constituents, because they are spread out and it would be very costly to reach them, in a sense has to be from an office approach point of view. I would like to ask the minister to give me an analysis of what is being done for these Indians who are north of the C.N.R. tracks, especially Indians up from Lansdowne House, the Trout lake area and the Winisk area.

More specifically I want to deal with the whole question of elections. Hon. members will remember that recently in the Kenora by-election there was a considerable stirring up of candidates in the area over the Indian vote in that constituency and the Conservative candidate. This is something which I have brought up before with a certain amount of humour because I think the classic example was Lansdowne House. A few years ago in a provincial vote something like 130 votes went to the Conservatives, five to the Liberals, two to the communists and none to the C.C.F. candidate, and there were no spoiled ballots in this poll. It was agreed that only one or two of the people there could read or write. That is why I say it has a humourous connotation.

There is one poll in my constituency that even in his heyday the late C. D. Howe never won. It is a place called Ombabika. It is mostly Indians who vote there and we discovered that in the Lansdowne House case the white man who happened to have the most influence with the Indians was a Tory. As I say, the situation was random and humorous but I am wondering if this is going to be so in the next election because there will be so many more voters. I would like to know from the minister what plans she may have for instructing the Indians, to see that some program is carried on with these Indians in the north who really could not be reached by candidates, and to see whether some kind of fairer arrangement could be made in the future. I know hon. members will say, "Surely it is up to the party to put up scrutineers". I wonder how many political parties in Canada in a constituency association could afford to send scrutineers to polls that are 300 or 400 miles away from the centre of the riding. I wonder how many of them could afford the charter costs.

I understand that in Nova Scotia or Newfoundland very recently this challenge was put to the premier of Nova Scotia by the leader of the Conservative party, and the premier answered that he would rent an aeroplane to send them in—it was in connection with a by-election—and if the Conservatives could not afford to pay their share of the flight he would see that the Liberals picked up the charge for getting the—

Mrs. Fairclough: What province was that?

Mr. Fisher: This is in Newfoundland. There was a by-election going on, I believe, up in Labrador and evidently this became—

Mrs. Fairclough: The hon. member understands that the Indians in Newfoundland do not come under this department, does he not? This was included in the terms of confederation.

Mr. Benidickson: I understood they were all killed off in Newfoundland centuries ago.

Mr. Fisher: The point I am really making here is that even in Newfoundland the Conservatives find it very expensive to get scrutineers up to the Indians. I am wondering whether the minister and her officials have considered this whole question of the Indian vote in remote places and what steps can be taken to see that it is done efficiently and fairly and in the interests of all candidates.

The other point I want to raise with the minister is this. I raised it with her, she will remember, by letter. It is regarding the possibilities of Indians working on the pulp and paper operations in our region. The minister will remember that I sent her some criticisms and suggestions that were expressed by the lumber and saw mill workers union, which happens to have the contracts in most of the woods industry from the Manitoba border through to north of Sudbury. The minister's reply was to the effect that these suggestions and criticisms were going to be considered immediately. I appreciate this, but I would like to know from the minister just what steps have been taken in northwestern Ontario in recent years to give the Indians some kind of permanent work or a more permanent relationship than they have at the present time.

I am sure that hon. members will have noted not too long ago that a little girl of six or seven years of age was torn to death by dogs up in a small village in my constituency, at Auden. It so happens that the dogs which tore her to death, which trapped her after her father left her outside a Sunday school, were kept by Indians who lived not too far away from Auden. The situation of these Indians near Auden, in Ombabika, is a wonderful case in point of the failure of the pulp and paper industry in the woods to find a real place for these people and to fit them in or tie them in with some kind of economic basis.

Auden is a permanent camp of the Abitibi Power and Paper Company. It has been in operation for at least seven or eight years to my knowledge. Continuous attempts have been made by the company to use Indians wherever practical but only, as I understand it—and my information is from both the union and people who you might say are on the management side—with very limited success.

I wanted to use this as an example and compare it with the situation at Longlac, which is not too far away, where the use of Indians from the Longlac reserve has been more successful on the part of the Kimberly-Clark Corporation. I would like some kind of elaboration from the minister as to the steps that have been taken of a persistent kind—at least, I hope they have been persistent—to see if some kind of continuing relationship cannot be worked out with these paper companies and with the unions for the benefit of the Indians.

The union people—I must be frank—are very critical of the Indian service, perhaps more critical than the service deserves; but I can assure the minister that their idealism in this situation is of a very substantial kind. They would be willing to go out of their way to see that the Indians were given an opportunity to have regular work whatever the relationship of the Indian might be to the

standard kind of seniority that happens to exist and is becoming more important in the woods and forests.

The last point I should like to raise with the minister stems from a letter I have received from the Indian chief at Mobert, Ontario, which is not too far from White River. The complaints I have received from the chief really deal with the ineffectiveness of welfare provisions during the winter. He has expressed concern to me over the fact that when an Indian is sick it is almost impossible to get him out to hospitalization because no one has any money and no emergency funds are available, and he has not, according to his letter, the authority to do anything about it.

His other complaint is that assistance is not forthcoming as easily as it should be to young men of the band who do not happen to be married. He feels that there is a calculated toughness on the part of the department with these young unmarried Indians, he thinks they are being treated far too harshly and the suggestion in correspondence to me is that this should be changed.

These are some of the problems of the Indians that I thought I should bring to the minister's attention. In terms of their importance, of course, I think an attempt to work out a relationship between the woods industry, the unions engaged in that industry and the Indian affairs branch to give the Indians a steadier basis of employment in the whole region from Sioux Lookout eastward to Hornepayne, and all the way down along the lake Superior periphery, would be most advantageous.

The question of the elections is something that we can all either get worked up or irate about, or we can even see it as something very funny, but I think most hon. members of the house will realize that in the next election we are trying an experiment, in the way that this is the first time in a national sense that Indians will have had the vote. I think all of us, no matter how we might like the votes of Indians to come to our particular party, will hope that the whole matter will run off very fairly. Given the situation that we have had in northwestern Ontario in the provincial elections, there are possibilities of our doubting this situation.

The final matter is really a general one and I should just like to repeat it. I would like some estimate from the minister as to the situation of the Indians whom Chief Telford Adams has said are in the worst condition of any Indians that he knows about in Canada, and whom the Indian gentleman in the other place has suggested to me need much more looking after than they are getting at the present time.

[Mr. Fisher.]

Mrs. Fairclough: First of all, let me say that I did answer the hon. member's letters to me and I outlined to him the situation as far as I could discover it with reference to this section of the country. I told him at that time that although Chief Telford Adams had made these statements not only this year but last year in a general way, up to the present time we had nothing to substantiate those charges. There were only his statements which we had read in the papers. We received no protest from him by way of a letter, neither did we receive any protests from people from other parts of the country so we were somewhat at a loss to know how to proceed in the absence of anything more specific.

The people to whom the hon. member refers, are largely nomads. It is hard to find them in a given place at a given time and this complicates immeasurably the problem of their care and welfare. I must say I was interested to hear about the results of previous elections. It only goes to show that one does not have to be able to read and write in order to be intelligent. I may say, though, with respect to the taking of the vote, that no matter whether it is in an urban area or a rural area or even in a remote region of Canada, that is the responsibility of the chief electoral officer, and I am sure the worst thing I could do as a minister would be to interfere in any way with voting in an election, or attempt to influence the Indians in any way whatsoever.

Mr. Fisher: I did not suggest the minister should interfere but I should like to know what instructions, if any, are going out to her Indian agents with regard to this matter. I do not want to make charges in this committee in relation to this subject, but perhaps the minister will understand an assurance from me that I am certain I can explain to her why the vote is swung so strongly in some areas of the country. It has a direct relationship, in provincial elections, with the Indian agents. I should like to know what instructions are likely to be given out, and whether the agents are to be asked to go out of their way to see that in any places where they have any kind of advisory jurisdiction these things are run fairly. That is all.

Mrs. Fairclough: No instructions go out from my department, nor will any instructions go from my department with reference to Indians in relation to elections.

Mr. Baldwin: Something was said a little while ago by the hon. member for Vancouver East about appearances before the joint committee. I was a member of that committee for the three years during which it functioned.

We sat through many long and weary hours over that period and I am glad to say there was very little evidence of political bias or partisanship, though possibly it did creep in in the last year. However, with regard to the right of various groups and organizations to appear I should like to refer the hon. member and others in this committee to the preamble to the second and final report of the joint committee which was filed by the chairman last year. I am reading from the second paragraph which states:

> During the present session your committee completed its examination of Indian administration and thoroughly reviewed the Indian Act. Thirty five additional witnesses were heard this session. Since June, 1959, there have been 97 meetings and over 100 witnesses have been heard. In addition, included in the minutes of proceedings and evidence, as appendices thereto, are 80 written submissions received by your committee from Indian organizations and bands, provincial governments, church authorities and other organizations and groups interested in the welfare and advancement of the Indian Canadian.

My recollection is that a number of witnesses made not only one but two appearances. I had the honour to serve as vice-chairman of the committee last year and I presided at a number of meetings. We did decide at a meeting of a subcommittee on agenda and procedure to adopt the rule that where there had been one appearance there would not be another during the current year because we felt the time had come when a report should be written. With regard to the group mentioned by the hon. member, there was a discussion and in view of the fact that this particular group apparently had its headquarters outside this country, and because, as the minister has pointed out, the things they wished to say had largely been covered by previous briefs and submissions made by other groups during the course of our proceedings, we felt that no good purpose would be served by calling these people here to give evidence. Apart from that, every opportunity was given to every organization and group to make oral representations and, if they wished, to supplement them by written briefs. Those are the facts.

Mr. Winch: I should like to ask the minister a question in connection with vote 618. I noted the statement made by the hon. lady yesterday in relation to economic development. That comes under vote 622. However, I should like to ask this question under vote 618.

I have taken a keen interest in Indian affairs for around 30 years. However, I do not maintain that I am a specialist on Indian affairs, so when I learned that this vote was likely to be discussed today I looked for additional advice and information. I had a talk with an hon. member in the other place. Naturally, that was Senator Gladstone who certainly must be regarded as an expert on Indian affairs. He told me that the native Indians do not want charity; they do not want to be a charge on the people of Canada. They want to be first class Canadian citizens. They want policies promulgated and put into action which will result in their being first class citizens whether on the reserves or elsewhere. One of the matters about which the hon. senator was good enough to advise me concerned the care of Indians in special circumstances—the word "charity" is not one I wish to use in this connection. I should like to link this subject with the statement made by the minister on economic development, but I shall have to deal with that subject under another vote. In view of the opinions expressed by Senator Gladstone, may I ask the minister to explain the basis upon which aid is given through the Indian agencies on these grounds of requirement and necessity? Does it differ in various parts of Canada or is there any general and basic policy? I would appreciate receiving that information. I shall leave the other aspects until we reach vote No. 622.

Mrs. Fairclough: Do I understand that the hon. member is now asking about welfare?

Mr. Winch: Yes.

Mrs. Fairclough: Mr. Chairman, the amounts as set out in votes Nos. 620 and 621 total $482,500 representing additional amounts required this year for welfare. Of this amount the sum of $21,000—but possibly I had better start with British Columbia and the Yukon—

Mr. Winch: I am sorry to interrupt the minister but I am not interested in the amounts. I wish to know the policy governing the granting of welfare.

Mrs. Fairclough: Generally speaking it is on the same basis as that adopted by the various municipalities. That is to say that although in most cases the Indian bands are not treated as municipalities we do have some Indian bands that are treated as municipalities. As I say, however, by and large they are not treated as municipalities. The welfare which is handled for them is handled pretty much on the same basis as that handled in municipalities in the various provinces. In some cases the bands themselves have advanced to the stage where their own band council handles the disposition of welfare within its band. This again varies all the way from the recommendations coming from the band council and the welfare being dispensed by the superintendent, right up to

the whole of the revenue funds being in the hands of the band as they would be in any municipality and the band making its own budget and dispensing its own welfare to its own members, much as a municipal council would do in any municipality in Canada. That is a broad general description of the process followed. If the hon. member wished specific details about any one place I would have to find out which method of administration is in practice in a specific band.

Mr. Winch: I am disturbed and worried about what I am told concerning the way welfare is dispersed in British Columbia on some occasions. That is why I asked about the policy.

Mrs. Fairclough: Although I do not wish to prevent the hon. member from asking questions I might say in the part that is devoted to welfare in the supplementary estimates there is nothing for relief. That has already been taken care of. There may be some further amounts in the final supplementaries when they come up.

As I said a couple of days ago when I introduced these estimates, all of these moneys are for winter works of one kind or another. Some of it falls within welfare, some falls within the agencies division and some falls within economic development, and so on. In other words this is all for work.

Mr. Winch: I will not accept that. Vote No. 618 relates to Indian agencies, operation and administration. That covers the operation of the Indian affairs branch.

Mrs. Fairclough: That is perfectly true. I have no hesitation in answering this so far as I can. But I say the additional funds which are required are not required for the relief portion but for the works portion. However, I now have at hand a general summary of the basis upon which relief as such is dispensed.

The rates vary according to high cost areas or special circumstances. The standard rates are: for a single adult, $22; each additional adult or child over 12 years of age, $15; each child 12 years of age or under, $12. Hon. members will recall that this scale was raised about two years ago, I think it was.

Mr. Benidickson: The minister means this is the current rate?

Mrs. Fairclough: Yes, this is the current rate.

Mr. Winch: This is the current rate?

Mrs. Fairclough: Yes.

Mr. Winch: And the minister says that is in line with the payments under welfare?

[Mrs. Fairclough.]

Mrs. Fairclough: Yes. This is for food only. In addition to this, clothing and fuel and rental and so on are looked after. This is merely the food rate and it is in line with the welfare payments under the provincial authorities.

Mr. Benidickson: Mr. Chairman, I had really only one point that would be specifically related to item 618, referring to the operation and maintenance of Indian agencies. We of course have a big population explosion in all areas where there are Indians. This is to be noticed particularly north of Red Lake in the constituency of Kenora-Rainy River. I was going to suggest with respect to agencies that a terrific amount of territory is given to the superintendent at Sioux Lookout. There is no regular air service or highway service connecting Sioux Lookout with Red Lake. I think that with the increased population which is fairly general Red Lake should be looked at as a place where a new Indian agency should be established.

This is all I normally would have said under item 618 but I find that quite a number of hon. members recognize that we have on the part of Indian agencies a rather wide range of supervision over Indian affairs of all kinds and they have referred to economic matters and welfare matters, if not the field of education. Perhaps if I tell the minister I intend to be brief she will allow me to make a few remarks in a general way without dealing with subsequent items in the estimates.

In my experience there is a very close connection between welfare, education and economic development. In fact, I find great difficulty in separating them.

With respect to welfare I was surprised to hear the minister generalize in reply to the hon. member for Vancouver East when she said that our scale of relief—although relief is not specifically before us now—was on a basis comparable to that adopted by the municipalities.

In the first instance, despite the fact that the minister says $22 a month for a single person makes provision only for food and that there are other disbursements from the department to such an individual, I think she made too broad a statement to satisfy members of the committee that all is well in connection with welfare for our Indian people.

The minister said a change had been made a couple of years ago in the scale of relief. I am interested in that because the last specific reference I have to the monthly relief available to a single person indicates that it was $22 a month and my letter is dated a little over two years ago. There was not very much additional assistance given to the

individual to whom I have reference and although I will not name the individual I will indicate that the file number is 144-37-7. While others have enjoyed some increase in municipal and federal welfare benefits the rate of $22 by way of relief for a single person seems to be the same today as it was two years ago and I do not know for how long prior to February, 1960.

In very current correspondence of only two weeks ago from Sandy lake I got some information but I admit it is not in all respects conclusive because it does not indicate how many dependants are involved in each family. I shall therefore refer only to those instances where it is clear that we are dealing with an individual. I have here a reference to one of my constituents who, it is said, was separated from her husband and who was an old age pensioner. It is to the effect that for the last 12 months she received relief totalling $300. It is said that this was the maximum amount allowable under our regulations. Everyone will recognize the fact that this works out to about $25 a month. This woman is still on relief. I would not say that amount in any way is comparable to what is available to a single woman in a municipality.

Mrs. Fairclough: May I ask the hon. member this question. Did she not indicate what else she had besides the allowance for food? That is the food allowance only. She would also have fuel allowance and she would probably have clothing allowance if she needed it. However, it is true that would be the amount for food.

Mr. Benidickson: I am very much concerned about these matters. I have a great number of them although I have only a few noted. Another one for four months during the winter of 1961 received relief amounting to $168. Another one worked as a painter for the Hudson's Bay Company during the summer of 1961 and received relief totalling $256 for 4 months in the winter of 1961 and was paid $50 during part of January. He signified that he would rather work than accept relief. Presumably this is the ration of work for it, cut off at about $50 a month. Under the paternalism that exists in some places, even the work must be rationed.

We know that the Indians are today competing with the unemployed wherever they go; and, of course, even after our attempts at integration, they have had the competition of immigration and other factors in their economic life.

In connection with welfare I wish to say this. I assume that housing comes under welfare or does it come under the economic division? In any event, this area of which I speak has a substantial Indian population. Its geographical area is perhaps larger than the whole of the British Isles. I am told that this particular agency at Sioux Lookout has for the whole area only $42,000 to expend on housing. As hon. members well know, this amount will not go very far. I know that expenditures have increased substantially year by year. However, population in this ethnic group is increasing more rapidly than in any other ethnic group in Canada. In addition to that fact, we must recognize that they are very much behind other segments of the population with respect to advantages enjoyed. There must be some accelerated program. As we advance in the field of education we must advance in parallel fields. We must have greater expenditure in the welfare and the economic field for things such as housing. I was surprised the other day to read that up until 1960 a great number of Indians were assisted in connection with housing. The minister will refresh me if I am in error but I believe that 10,000 Indian families had been helped since 1948 in housing. But when I relate the matter to my own riding and find that only $42,000 was provided in the estimates last year for this purpose, I realize that it would not go very far. I assume that some of that money would go toward the saw mills and other aids that have been provided in this vast area. In connection with the revolving fund I would appreciate it if the minister would indicate—

Mrs. Fairclough: May I say that no money goes to the saw mills for housing unless it is to purchase lumber for use in the construction of houses. If that is what my hon. friend meant, it is true that we purchase lumber from the saw mills for use in construction. However, I draw to his attention the fact that since 1958, I think it was, the amount expended on housing has been more than doubled as compared with the amount expended in previous years. It used to be $1 million a year. It is now $2 million. I think the first supplementary estimate for housing was in the 1958-59 estimates. It has been $2 million a year since then. It is true enough that even $2 million spread over the length and breadth of Canada is not a tremendous amount. However, that is not the whole story. The Indians themselves help out wherever they can do so. If they are employed, they themselves contribute in cash. If they are unemployed, they contribute their own effort toward the erection of these houses. Up until this past year we have been able to erect these houses—and they are fairly reasonable houses—for approximately $2,500 cost to the department. Of course, there will be additional expenditures in time or effort by the Indians themselves. In some cases the

band councils, if they have funds, would contribute. By and large I think the $2 million would swell to an amount in excess of $4 million in a given year for housing. However, I agree with the hon. member that possibly this amount does not go too far. Nevertheless it is a considerable item.

Mr. Benidickson: I am not criticizing the minister. There has been progress in so far as expenditures are concerned. However, we also have population growth and inflated costs of everything that is purchased today. By way of illustration may I say that in 1948 I believe we were spending about $5 million on education. That amount grew to $25 million in 1960, according to some of the evidence given before the Indian affairs committee. However, we must remember that enrolments in the schools went up in the same period from 23,000 to 40,000, plus the extra costs of doing these things and the better accommodation that is provided today than that which the architects would perhaps have provided in 1948 and so on. I am not criticizing. I simply wish to relate the expenditures on education of, I suppose, $28 million or $29 million this year, a rather small amount relatively, to those that are not young but who are adults and who are not economically really afloat in many ways, in my opinion. I question whether, in the entire appropriation of the minister's department, although it has increased, there is relatively a proper relationship between educational grants and economic and welfare grants. In connection with economic development I feel that there has been noticeable expansion. I compliment the officers of the department and the minister. This is not something that happened in the last four years. The minister will give credit to her predecessors. It is something that perhaps had its impetus after world war II when we had more contact with members of this population who had served so well in world war II and so on. However, I see some signs of advance in such things as wild rice harvesting. I commend the province of Ontario for making the wild rice crop the first prerogative of the Indian population in Ontario.

I should like to have some indication from the minister's economic advisers as to the selling arrangement in connection with wild rice. I hope that a very real advance has been made in preventing any freeloading on the Indians with respect to the wild rice crop, which is a very valuable one in our part of the country.

In so far as fishing is concerned, I know that is a delicate area for the department. The provinces have control of the commercial fishing licences, and I think an effort is being made to obtain more of these commercial licences for the Indians. I think the minister might report on the progress in this respect. I am not one who has hopes we will have the minister before us this session with her main estimates. I am concerned about some publicity that was given in my own area at the end of 1960 and also in 1961 to the effect that commercial fish dealers of the territory might, in combination, form some kind of fish filleting plant and in concert deal with the Indians. I wonder whether or not this plan has gone forward, or whether or not the plan of the Indians, under the guidance of the department, for selling their fish products under sealed bids is to be continued.

Then, in so far as the revolving fund for loans is concerned, what is the amount of the fund at the present time? I believe formerly it was $500,000. Is it now $1 million? What utilization is being made of that?

I am not going to frighten the minister by reminding her of my annual reference to the difficulties in making Red Lake a pilot plant for the integration of Indians who leave the reservations and go into the commercial life of the community. I simply show her again my ever-growing file of frustration and lack of co-operation between the municipal, provincial and federal governments. There are three related spheres here, education, welfare which involves housing, and of course economics, which involves the opportunity of the parent perhaps to put the child in a proper school with families of better economic background. I find that neither under this government nor the former government has there been any progress whatever in Red Lake.

Under the former administration, I believe the department had finally reached two significant points. One was that on education, as on housing, they would recognize what I call the bridge period, the period between residence on a reservation and arrival in an organized municipality in an attempt to integrate into the normal commercial life. In so far as education is concerned in Red Lake, I had been assured that, as a token of interest on the part of the federal government and without interference with the rights of the province in education, the federal government would pay 5 per cent of the costs of education. This was the normal contribution at that time in this area by the residents of the improvement districts.

Now, this scheme has not advanced. We have a public school and now we have a separate school. I agreed not to press to have the public school take certain Indian children

with the expectation that a number of Indian children who needed education and were the children of nomadic parents, would then go into the separate school. The separate school asked me for a deferment. We have only four children in this separate school after all of this delay. The former minister of education, Mr. Dunlop, made speeches to the effect that, as provincial education minister, he felt that even the education of Indians, if they were off the reserve, must be the responsibility of the provinical department. But nothing has happened in this connection. What we are doing now is taking charity from the Amish missionary church of Pennsylvania. For three or four years I have been pointing out to the department that people down in the United States are being told that we are just about as far away as China and just about as deserving as China, in so far as Christian charity is concerned. It is a shame that in an organized municipality Canadian Indians must receive support from Pennsylvania. They have been receiving this support to the extent that 44 Indians have been enrolled in this school because they are not accepted in the separate school or the public school. In addition, provisions are made at this missionary school for lunches for these children, I suppose because in many cases the children cannot count on the parents being around to provide a meal at noonday.

I feel that the department has looked upon this plan with undue coolness. I say they should have another look at it. I would prefer, if this organization wants to do Christian missionary work, that they do so outside of the confines of the organized municipality. It is a shame upon us that these children have to be supported by United States charity in an area that has produced over the last ten years perhaps $100 million worth of gold. This government, following the pattern set by the previous government, probably gives in subsidies to the gold mines of Red Lake about three quarters of a million dollars a year. They are doing practically nothing for the Indian population that actually resides in the gold producing area. I say that my thought about the bridge period is something that should be followed up.

However, this plan has not been discarded because when I was in Red Lake last, just before Christmas, I found two senior officers of the Indian affairs branch visiting Red Lake. This event occurs every year and has continued for ten years. The department, therefore, has not washed its hands of responsibility because representatives are still going up there, from which an inference is drawn that some help is going to come from the department. I was bitterly disappointed to read only this morning that, in so far as housing is concerned, the premier had made a statement at Queen's Park to the effect that there are 12 new fields of housing help that are under study. One was help for Indians who require housing off the reservation.

I sympathize with the minister in this difficulty in trying to associate with the provinces with respect to the needs of people who we are not sure are going to stay off the reservations. The public looks upon them as Indians because they have been so recently associated with the reserves. The municipalities feel they are Indians, for a few years anyway, until they accept steady employment. The province is jealous of its responsibility in education and of course in housing and in health as well as welfare. The net result is that over ten years I feel we have fallen behind rather than gone ahead, especially if we are looking for Red Lake to be a pilot plant; and I think it could be a good pilot plant respecting integration.

In housing, as well as education for Indians at Red Lake, I say we have gone behind rather than ahead. Just before the hon. member for Bonavista-Twillingate left office as minister of citizenship and immigration I was told that the revolving fund regulations had been changed for the purpose of making it possible to make a loan to an Indian, even where the Indian had his house off the reservation. I am told that is not so and that I must go to the Central Housing and Mortgage Corporation so far as my Indian constituents are concerned. How ridiculous can you be? Everybody knows the high standards of house construction that are necessary before an Indian can apply for a loan to Central Housing and Mortgage Corporation.

What we have there are shacks that should not be tolerated in any area anywhere near concentrated population. They have been condemned. I sent three reports to the minister, from Rev. Jay, from Dr. Morris and Dr. Langford, which were signed by anthropologists and other professional visitors to the community who say it is a disgrace in a community that has produced a couple of hundred million dollars worth of gold in the last number of years. This buck passing must come to an end.

I realize that the junior governments are equally difficult to deal with, but the Indians themselves are getting no help. If it were not for the charity of this American organization, the Amish church of Pennsylvania, we would have 44 students who would not be accepted in a fairly large and prosperous community of Ontario. I say that if there is not accommodation in the public school and if there is not accommodation in the separate school, as these are children of nomadic

parents the department should do what it promised to do some years ago, and that is try and co-operate with the province in establishing a bridge on health, education and housing for a period of a few years, and not be so sticky about this question of "on reserve" and "off reserve".

Mrs. Fairclough: I have every sympathy with the views expressed by the hon. member for Kenora-Rainy River, but he himself has hit the nail right on the head when he talks about the responsibilities of the various levels of government. It is true that by and large this department's responsibility revolves around the Indians who are domiciled on reserves, but to extend housing aid to Indians not on reserves is a different problem and involves negotiations at various levels.

I should also tell the hon. member that the Red Lake problem is one that has been of continuing concern to the department. None of these Indians live on the reserve and most of them have been off it—

Mr. Benidickson: They live on and off it.

Mrs. Fairclough —for a long time, and it is a little difficult to know where the provincial authorities and the municipal authorities take over. I can assure him that this is a continuing problem for study by the department, but we do hope we shall be able to come up with the answers at least to the educational problem and such other problems as may be related thereto, in the not too distant future.

Speaking of northern Ontario in general I should draw attention to a press release which I issued under date of March 1, just two weeks ago, with respect to an agreement entered into by the minister of this department and the minister of lands and forests for the province of Ontario, having to do with the fur research program between the two levels of government, and which in turn sponsored the signing of this new agreement which is designed to improve the livelihood of persons in the remote, underdeveloped areas of northern Ontario.

The fur agreement, which was in effect before the new agreement, has been expanded to include all renewable resources including fish, wild crops and timber and it no longer includes ordinary supervision of the fur program which is now self-sustaining. This agreement is for a ten-year period and will help the people in northern areas who still depend on these natural resources for their livelihood. It is estimated it will affect the lives of some 24,000 Indians, as well as other inhabitants of the north.

This agreement, as stated in the release, deals with the development, management and harvesting of a number of resources and includes commercial fishing, that is sustained yield production, and fishing and hunting for domestic use. It includes sports fishing and assistance to guides for people hunting on reserves. It also includes wild berries, blueberries, the training of forest fire fighters and the processing and marketing of various products. The advisory committee is composed of five members, two from the federal government and three from the provincial government. That is a brief outline of what has been agreed to between the two levels of government.

I think the hon. member for Kenora-Rainy River asked me for these figures and I would advise him that in 1960-61, 1,225 houses were built at a cost of $3,841,519 of which $2 million came from fund resources, and Indian bands contributed some 43 per cent of that amount. Since 1958 the amount spent on housing has been in the region of $2 million per year, and although the hon. member for Kenora-Rainy River has given up hope of reaching the main estimates for this year, and I must say I do not agree with him, if he looks at them he will find this amount has been increased to $2,750,000 for the coming year.

Mr. Carter: Since my hon. friend from Kenora-Rainy River has introduced the subject of education I should like to ask the minister a few questions about the situation in the school at Doig, near Rose Prairie, British Columbia. From editorials and press reports published in the *Alaskan Highway News* and the Fort Nelson *News* it appears that a gentleman by the name of Simon Flynn was appointed to this school and arrived to take up his duties there some time in October.

He was not given very clear instructions as to the extent of his duties and responsibilities, or the kind of curriculum he was to teach. He was not told what provisions were made for school supplies and what arrangements were to be followed with respect to the health care of the pupils under his charge. Neither was he told about the chain of command if information was required on any of these matters.

When he opened the school he discovered only an average of 10 children attended and that there were a number of other children at some distance from the school who could not get to it because there was no road. He found the fuel and lighting arrangements were so poor that he was only able to teach on an average of about 10 days a month, about half of the regular school days. Apparently he complained about this to somebody and it got in the press. As a result of that he was told he was fired; the keys were taken from him and he packed up and prepared to

depart. I think he went to Fort St. John. Then he was told that he was not fired. In the meantime a committee of the Fort St. John chamber of commerce, I think it was, headed by a person who was connected with the school board and who was probably the chairman of the school board, investigated those complaints which the teacher had made and found them to be substantially correct. Then of course the teacher was told that he had not been fired, but having been told that he was required to take an oath of secrecy.

I should like to ask the minister if she would enlighten the committee as to what exactly took place in the school, what exactly was the situation and why was this teacher required to take an oath of secrecy?

Mrs. Fairclough: Mr. Chairman, this is another of those garbled up stories that gets bandied about. Perhaps I should start by saying that first of all the school was not on a reservation. To go back a little, these people moved from the reservation and gathered around this crossroads simply because there was a store there. They lived there for a while and finally, since they were Indians and had come from a reservation not too far away—if my memory serves me well, something like 10 miles away—the department did manage to make available a one-room schoolhouse. As the hon. member says, there were only about 10 children there; it was a very small community.

It is a little difficult to get teachers to go to these remote areas but finally this young man was recruited, I think by correspondence. He was a British subject but he was then living in the United States. He went up there. His stories of what he encountered are slightly exaggerated, according to the information I have received. It is true that there were some difficulties. For instance, a well was to have been dug, but because of the remoteness of the area the contractors who had undertaken to dig the well did not show up. He went into this school and he thought there were things he should have had that he did not have, but in the matter of school supplies he could have had them simply by applying to the school superintendent, which he did not do.

There were a number of matters of this nature. They culminated in his writing a letter to a newspaper complaining about the shortcomings with respect to this school. Most of them could have been supplied to him had he gone to the proper source, the superintendent, who would have received his representations and seen that he had the required equipment.

He was not dismissed at any time. He was told that he had to teach in accordance with the standards required by the school. Also, he was not asked to take an oath of secrecy. What he was asked to do was take the oath of allegiance which all civil servants are required to take. He was now a civil servant and he was asked to take the oath of allegiance, and this he refused to do.

The whole thing was pretty mixed up, but to cut a long story short, the store which was at the crossroads has now closed, so ostensibly the reason for the Indians congregating there has passed and we rather expect that they will go back to the reservation. When they do, proper accommodation will be available to them there.

However, the matter has been one of concern. As I said at the beginning, it is a story which has been badly garbled. We tried to handle it as best we could, but it is a very remote area and one in which all the facilities are not available. Although the department has done its best, I would admit that there is probably something to be desired in the accoutrements and the accommodation that is available at that very remote spot.

Mr. Carter: Mr. Chairman, the minister said it was not an oath of secrecy but the oath of allegiance that he was required to take. Was this standard procedure; did his predecessor have to take the oath of allegiance?

Mrs. Fairclough: His immediate predecessor was not a civil servant; he was only a part time teacher engaged until this man got there.

(Translation):

Mr. Martel: Mr. Chairman, before the estimates we are now considering are passed, I should like to make a few remarks, particularly as regards the question raised a moment ago by the member for Kenora-Rainy River (Mr. Benidickson) in his opening remarks. As a matter of fact, he said that the Indian agency in his area covered a huge territory and, on that account, he felt justified to suggest that a new agency office be opened to look more closely after the welfare of the Indian population in that district through the construction of schools, and steps to improve the economic situation and the education standards in the various Indian bands in northern Ontario.

I should like to make a similar suggestion about northern Quebec. I would ask the minister to give consideration to the opening of a new Indian agency in the Chapais-Chibougamau area, where it would be easier to look after the Indians of the great lake Mistassini, Nemiscau, Rupert House and Eastmain on James bay, Waswanipi, in the northern section of my riding. The new agency could even cover the area further north as far as Fort George, Great Whale in the constituency of Saguenay, in Paint Hills, and

particularly along the shore of Hudson's bay where most of the Indians in that district are established.

I understand that the work presently carried out at the Amos Indian agency, which covers most of that area, is excellent. New schools have already been built in various places, and I understand that others will be built, not to mention the additional welfare and assistance facilities for the Indians of great lake Mistassini. There are plans for the construction of a new day-school in Waswanipi, where the improvements I just mentioned will be found.

In my opinion, this territory is so wide that it is almost humanly impossible for a single agency to deal with all its problems. Moreover, with the mining development which has taken place in the Chapais-Chibougamau region in the last ten years or so, it is important that northern Indians be served from that locality.

In fact, a few years ago, local citizens formed a committee which, if I am not mistaken, is called the northern citizens' association. The committee is particularly interested in the future of the Indians in that part of the constituency of Chapleau. I feel that the establishment of a new agency is essential, because we must not forget that mining company officials are well-disposed towards the Indians. A few Indians are already working for some of the mines and other companies are hopeful of getting a greater number to work for them in the years to come.

And now, before I resume my seat, Mr. Chairman, I will simply refute an article which has perhaps already been discussed but which is so unfair that I feel compelled to talk about it because it deliberately overlooks the efforts of this government to increase the estimates for Indian education through the Indian affairs branch of the Department of Citizenship and Immigration.

(Text):

I am referring to what I might call a silly, if not vicious, article which appeared in the magazine *Saturday Night* of March 3 last which mentioned that the main estimates, not including the present supplementary estimates of the Department of Citizenship and Immigration with which we are now dealing had increased at a time when immigration had decreased. I believe it is unfair to say this. If hon. members look at the records they will find that the estimates of the Indian affairs branch have increased, votes which, of course, come under the Department of Citizenship and Immigration. This government has tried to increase help for the Indians in the past four years, particularly in respect to education. I am sure this article is most unfair in saying that the estimates of the department have increased at a time when the number of immigrants have decreased. I feel it is our duty to look after the Indians of this country in a better way than in the past to make them first class citizens. I think the present government has understood this and has been taking action along these lines.

Mr. Carter: One final question about the Doig River Indians. Will the minister say what arrangements exist for the medical care of these people? If I remember correctly, one woman froze to death there in the absence of aid. In addition, a couple of children are reported to have died in circumstances in which medical care was not available. On one occasion a teacher took a school child, one of his pupils I think, to Fort St. John and then he had to transport the child back in his own car. Whatever arrangements exist do not seem to be functioning very well and I wonder if the minister could tell the committee what facilities exist in cases like these.

Mrs. Fairclough: That is not the responsibility of my department. That is a matter for the Department of National Health and Welfare and is not covered by this vote. I am not familiar with the particular cases to which the hon. member referred. In any event they come under the Department of National Health and Welfare, and perhaps the hon. member will bring this question up when the estimates of that department are presented.

Mr. Benidickson: I rise only to try and keep my conscience clear; I said I would not rise on the subsequent items.

I did not feel the minister had answered one or two points. She did say the bands look after their own welfare to a degree. I think there are some 600 bands. That plodding and brilliant reporter on Indian affairs, Mr. Arch Mackenzie, estimated, when he looked at this problem in 1960, that out of these 600 bands only a few had even a limited degree of self-government; their decisions were always subject to being overruled by higher authority.

On the subject of welfare, could the minister bring us up to date by telling us how many bands have reached the point where they can look after their own welfare on the lines suggested by the hon. lady? When I spoke about a recent speech of the premier of Ontario with regard to the ninth and twelfth

points in his housing program, I did not have any of the details in my hand. But I want now to place this on record. I think it is getting some-what late. It may be a stopgap, but I think the minister will agree that after we have been talking for ten years about housing for Indians at Red Lake the time for action rather than for planning has certainly come. The premier says, as his ninth point, that the public housing program as it has been carried out up to now caters mainly to the needs of a larger organized municipality. We all agree on that.

Mrs. Fairclough: I am not clear where the hon. member is leading. Is this provincial—

Mr. Benidickson: I am back to Red Lake. I have indicated that there is a relationship between health, housing and economic opportunities.

Mrs. Fairclough: Yes, but whose point is this?

Mr. Benidickson: I am referring to a speech made last week by the premier of Ontario with respect to public housing. I want to pay him due respect, but the educational program has been a worry to us all for a long time. Housing has been a worry to us for a long time. The province says that when the Indians are off the reserves they are a provincial responsibility as far as education and housing are concerned. I say that the community does not regard them as being completely the responsibility of either a municipality or of the province in a normal way. The community still regards them as being to some extent nomadic and as to some extent the responsibility of the federal government. The federal government, both with respect to housing and with respect to education has assured me it would recognize this situation and recognize the desirability of there being a bridge period of a few years during which a contribution would be made federally to these Indians despite the fact that they were not living on reserves. This is a sincere observation—it is not really political—but I do not like it too well when the premier of Ontario says he has 12 new observations to make with respect to housing and one of them is to look at the housing needs of the Indians who have left reserves to work in the mines or in the mills. Not to do something, mind you, but to look. The department knows we have had Indians in Red Lake for ten years—Indians who have left the reserve to work in mines or mills—and I say the time has come, not to study the situation but to do something about it. I know the minister gets frustrated, too, because after all this is a domain over which the province of Ontario has jurisdiction, namely health, housing and education. However, I do not think the minister's reply was satisfactory with regard to this phase of the discussion.

As far as education is concerned, I omitted to say previously that I was concerned about truancy, particularly with respect to children whose parents earn their livelihood by fishing and trapping beyond the municipal boundaries. What co-operation is the minister getting from the province of Ontario in enforcing the truancy laws?

The minister did not reply to my observations in respect to the United States charitable institution. I would be satisfied if she would say she would have another look at this matter.

Then I referred to one of three or four reports of sociologists and anthropologists who have gone to this area because it stands out like a sore thumb. I referred to the observations and report of the Rev. Jay, a United Church student pastor who thoughtfully wrote a report on the situation there. He said a community of this kind needed, during the bridge period, as I call it, a representative of the federal department who would be a guidance officer for these people. Is it possible to provide such a service? The author definitely advocates, in addition, a hostel for the use of people who are in transit between a reserve and a civilized community.

Kenora, through the Presbyterian church, has a new institution of whose existence I am sure the minister is aware. I hope the hon. lady will regard it very carefully. As I understand the position, no contribution has been made to this hostel by the federal government. I think that probably a contribution should be made. I believe the church on its own has paid some $30,000 initially as part of a home missionary effort to acquire the property to provide for the needs of Indians in transit in and out of Kenora, some guidance, some comfort and some amenities, even basic amenities which are not provided on the main street of the town. This kind of thing, I think, should perhaps be encouraged to some extent by the department, knowing as we do that economic opportunities are not very good for this exploding population in the north. I would hope the minister would provide to some of these communities or to the churches aid for hostels. Hostels were high on the list in the report to which I referred.

Mrs. Fairclough: Mr. Chairman, I was under the impression that I had answered the hon. member but possibly I did not make myself clear with respect to the Amish school. I intended to include it in my reference to the

whole matter being under consideration. I meant the whole matter of Red Lake, including the school, too.

We are very much interested in the hostel at Kenora. I think it is an excellent step in the right direction. Personally I am not too sure that this is a matter in which Indian affairs should participate. I would think there might be a better case made for participation by the citizenship department. However, this is again a matter which is being considered. We are watching it very closely. We think it is an excellent idea. Of course, the ultimate good will come when these people are accepted into normal accommodation and into the normal economic and social life of the community. I realize there is a transition period where it is a little difficult to know how to handle them and the hostel will undoubtedly do a good job.

Mr. Benidickson: It is so all-important, that is the point, and no money is being provided.

Mrs. Fairclough: That is right; it is extremely important. This is a fairly recent development. I wish to assure the hon. member that I am keenly aware of the situation in that area and the Red Lake area in particular is one we have been watching very carefully. Of course, we run into difficulty there as both the hon. member and I remarked earlier this evening in deciding who is responsible for people who have for ten years been off the reservation.

Mr. Benidickson: Well, even for two.

Mrs. Fairclough: I do not know whether these people are living in houses and paying municipal taxes and so on. They are certainly earning their livelihood in their communities and to all intents and purposes they are citizens of the municipalities. However, these are simply offhand remarks and are not intended to be an answer to the hon. member's question. We have taken a note of the other items on which he remarked and I shall see that he receives an answer to the specific points I have been unable to answer in my remarks this evening.

Mr. Benidickson: I wish to make one other observation and I think there is some advantage in doing so. The minister will be aware that there was recently held in Winnipeg what I believe is called a metis conference. Will the minister confirm that I have properly designated it?

Mrs. Fairclough: If I am thinking of the same one it is called the greater Winnipeg council of social agencies or—

Mr. Benidickson: Welfare council?

[Mrs. Fairclough.]

Mrs. Fairclough: —planning council or some such thing.

Mr. Benidickson: In Kenora, although not all people are interested in the problem of the integration of the Indians—and that is our difficulty—a sufficient number of people are interested that approximately 12 people at their own expense travelled 150 miles from Kenora to attend this conference in Winnipeg. Included among them were the recreational director, a couple of clergymen, an educator and a representative of the chamber of commerce. They attended the conference at their own expense. These people from Kenora are interested in the problem of trying to make the Indian welcome in the community. These are people that are farsighted enough to know that this is a problem that has to be dealt with.

Although 12 went to Winnipeg and profited from attending the conference those in Kenora who are interested in this matter are wondering whether it is possible to arrange in Kenora through the co-operation of the Indian affairs branch a conference which could be attended by responsible officials of the minister's department, chiefs of the bands that are contiguous to Kenora, and so on.

Mrs. Fairclough: Of course, the particular conference to which the hon. member refers was not organized by my department but wherever a conference is organized under whatever auspices and where the question of the welfare of Indians is the subject of discussion, on invitation from the sponsoring authorities we always do send representatives—

Mr. Benidickson: You send good representatives.

Mrs. Fairclough: —who are prepared to discuss the problems with which they may be confronted.

Mr. Benidickson: All the representatives of the minister's department are good.

Mr. Fisher: I did not receive an answer from the minister about Mobert, Ontario. I asked a question about complaints received from the chief about welfare provisions as established within the agency and his inability to get people who are sick to hospital because of lack of funds and the difficulty of getting welfare assistance for young unmarried Indian males.

Mrs. Fairclough: Again any matters affecting health come under the Department of National Health and Welfare. Was there any question apart from that of medical care?

Mr. Fisher: Well, whose responsibility is it? Where does the chief take his complaints when he finds that the provisions for welfare and

health are not adequate? My own feeling is that he should not be taking them to his member of parliament. They should be taken to the Indian agent closest to him. I should like to know who is looking after the Mobert band.

Mrs. Fairclough: I will be very glad to look into it, Mr. Chairman. I am not familiar offhand with the particular problem that is raised. As I said, any matters affecting health come under the jurisdiction of my colleague the Minister of National Health and Welfare. I should think the chief could take his problems to the Indian superintendent. I will be very glad to look into the matter and see what I can find out about it for the hon. member.

Mr. Martel: Mr. Chairman, I should like to direct a small question to the minister on a matter I raised last year concerning the housing project for the dominion Abitibi band reserve north of Amos. I understand that last year an amount was voted for a road or street development. I wonder whether there are any new developments and whether in the item for construction and acquisition we are about to vote there is an amount included for this housing project?

Mrs. Fairclough: Mr. Chairman, I am afraid my officials have not come prepared with a breakdown of what is available on individual reserves. I can tell the hon. member that for the province of Quebec out of this total vote there is an amount of all purposes of $45,300 and $18,500 for agencies, but whether a part of that refers to what the hon. gentleman has just mentioned I could not say. However, I will look it up and let him know.

Mr. Benidickson: I think this will be my last question of the minister. In the last item to which I will not speak there is reference to education. The minister and I have been in correspondence. I pointed out that some of our senior Indian students were required to travel as far as 1,000 miles away from home if they wished to pursue their education at the high school level. In reply the minister reported to me that she had a plan for providing high school education for Indians at the lakehead. Has the plan progressed? Alternatively, could the minister tell me whether she thinks it would be cheaper, wiser and better to provide boarding allowances to high school students who might attend the local high schools in the communities nearest to them such as Fort Frances, Kenora or Sioux Lookout?

Mrs. Fairclough: Mr. Chairman, of course we would like to have these students attend non-Indian schools. We think it is better in the long run to have the Indians take their education and particularly their high school education in integrated schools. But once more may I say that I do not have the head of our education branch here.

Mr. Benidickson: I know the minister will write me and explain the matter.

Mrs. Fairclough: Yes. I will do that.

The Chairman: Shall vote 618 carry?

Mr. Pickersgill: May I take just one second before the vote carries, Mr. Chairman. I must say that I am rising to defend the minister. I wanted to say that I agree with the minister in her view that the Ontario government is not assuming its responsibilities in the matter of the education of these Indians who are not living on reserves. I did my best when I was minister to try to persuade them that Indians were citizens like other Canadians and that if they chose to live in a province and not on a reserve it was the business of the province to provide education for them as it did for other people. I am glad the minister took the same position tonight. I was rather hoping that one by-product of having a government of the political complexion of the present one was that the minister might have more influence at Queen's Park than I had. However, I am sorry that she has been obliged to confess the fact that she has no more influence than I had. If we both express in this House of Commons this view that the Ontario government ought to treat Indians as they treat other citizens, perhaps our voices may reach even to Queen's Park.

Mr. Benidickson: Mr. Dunlop said he would do it.

Item agreed to.

The Chairman: This completes the supplementary estimates of the Department of Citizenship and Immigration.

DEPARTMENT OF LABOUR

Technical and vocational training assistance—

636. To carry out the purposes of the Technical and Vocational Training Assistance Act and agreements made thereunder—payments to the provinces—further amount required, $28,400,000.

The Chairman: Shall vote 636 carry?

Some hon. Members: Carried.

Mr. Pickersgill: I assume that the minister has something to say on this item.

Mr. Starr: Mr. Chairman, this item in the further supplementary estimates for $28,400,000 is to provide additional funds for the fiscal year ending March 31, 1962, to meet our anticipated commitments under the Technical and Vocational Training Assistance Act.

A recent survey of the provinces indicated that claims made and to be submitted under the various programs provided for under the agreements for technical and vocational training assistance will now reach $75 million during the current fiscal year.

In the main estimates for 1961-62, the sum of $26,600,000 was provided: an additional $20 million was voted under item 534 of the supplementary estimates passed by the committee in September, 1961. This further sum of $28,400,000 is required to meet the claims expected as a result of the latest information we have now received from the provincial governments.

When we consider, Mr. Chairman, that federal payments for technical and vocational training during the past fiscal year, 1960-617, amounted in total to approximately $8,500,000, the committee will appreciate, I am sure, the rapid expansion which has taken place in the establishment of new training facilities under the new act.

Members of the committee will also appreciate from this large increase the major contribution which this government is making to meet the technical and vocational training needs across the country in co-operation with both provincial and local bodies.

Of the $75 million which I have mentioned, over $53 million will be paid this fiscal year for capital assistance to trade and vocational schools, technical institutions and vocational high schools or in other words to provide for training facilities.

Approval has been given so far under the agreements with the provinces for 245 projects. These cover the construction of 134 new schools, 80 major additions and 31 minor additions to existing schools. These new facilities will provide for over 90,000 additional student placements.

It is obvious from the widespread response that the provincial and local authorities share the federal government's conviction that vigorous action is required to improve the technical knowledge and skill of our Canadian labour force.

It is this tremendous demand for new training facilities which has necessitated introducing this further supplemental estimate to provide for $28,400,000, in addition to the $46,600,000 in our original estimates.

The estimated total expenditure on the new projects is in excess of $269 million, of which the federal government's share will be about $179 million.

Included in these projects are the construction of one new institute of technology, 18 new trade schools, five new combined trade schools and institutes of technology and some 114 new vocational high schools.

Over and above these new schools, alterations and additions will be made to five institutes of technology, 16 trade schools, two combined trade schools and institutes, 56 vocational high schools and 31 minor alterations.

The total number of projects to date, the estimated expenditure for these new facilities, and the additional student accommodation by provinces, are as follows. I have here a table that I would ask permission of the committee to be included in *Hansard.*

The Chairman: Has the minister leave to have printed in *Hansard* the table he has referred to?

Some hon. Members: Agreed.

[*Editor's note: The table referred to is as follows:*]

New Technical and Vocational Training Facilities

Estimated capital expenditures by provinces on projects approved up to Feb. 23, 1962

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yuk.	Can.
Number of projects	10	2	8	8	5	166	16	5	17	5	1	245
Total cost $(000,000)	15.4	*	4.1	2.7	10.9	188.6	4.2	1.9	28.8	12.0	.8	269.2
Federal share $(000,000)	11.5	*	3.1	1.8	5.0	124.4	3.1	.7	20.5	8.5	.6	179.2
Additional student accommodation (000)	3.	*	1.5	1.5	2.5	70.0	1.9	.6	8.9	2.9	.1	92.8

*The total to date is $8,968 of which the federal share is $6,725.

Mr. Starr: The federal government, as members of the committee know, is contributing 75 per cent of the cost of this new construction up to March 31, 1963.

The Chairman: Much as I dislike interrupting the hon. member, it is now ten o'clock.

[Mr. Starr.]

Mr. Starr: With the consent of the committee, may I say that I will take only about three minutes to complete my statement.

Some hon. Members: Agreed.

Mr. Chevrier: Go ahead.

The Chairman: Has the minister leave to continue?

Some hon. Members: Agreed.

Mr. Starr: It will contribute 50 per cent under our agreements with all of the ten provinces after this date.

This multi-million dollar federal-provincial program is a massive national effort to increase training facilities and programs. It has already far exceeded what we hoped would result when we introduced our training legislation to parliament in 1960.

The response of the provinces to our offer to pay 75 per cent of provincial expenditures for new training facilities until March 31, 1963, has been nothing short of remarkable. We had hoped to increase Canadian facilities by 50 per cent in a five year period, but it now appears that this goal will be met in less than half the time.

In addition to this expansion of training facilities, sparked by the new legislation, the agreements with the provincial governments provide assistance in various ways for the development and operation of training programs for both youth and adults. These programs include vocational high school training, technician training, trade and occupational training, training in industry, training of unemployed persons, training of disabled, training of technical and vocational teachers, vocational correspondence courses and student aid.

One of the main reasons for this program of greatly expanded assistance to technical and vocational training is the necessity for developing more highly skilled members of the labour force in response to automation and technological change.

The training programs now in operation are placing increased emphasis upon technical knowledge both of those now employed and for youth. Programs are also being promoted in industrial establishments to keep workers abreast of technological changes and to raise levels of basic skills.

Before closing, Mr. Chairman, I should like to explain briefly the composition of the item before us. By far the largest part of the total amount of $28,400,000 is required for capital assistance, namely, $24,550,000.

For technician training an amount of $3,341,300 is needed to provide for developments in this highly important area of training which were not foreseen when the original estimates were drawn up. The remaining amount of $508,700 is required, as explained in the estimates, to restore deductions made for anticipated lapses in the main estimates.

Mr. Chevrier: Would the minister tomorrow, so that we can have these during the course of the discussion, put on *Hansard* by provinces the places, the cities or communities in which these trade and vocational schools and technical institutions have been constructed or have been approved by the department?

Mr. Starr: The table that I asked to have placed on *Hansard* as part of my remarks, Mr. Chairman, does show by provinces and the number of schools in each province, the cost of these schools in each province and the federal contribution. Now, I believe the hon. member says he would like to have a table showing where each school is located. I do not really know that we have that information, but in case he does wish only for that, that is fine. If he wishes anything more than that, I would appreciate it very much, so that we may be able to get all the information for him, if he would give us in writing what he wants.

Mr. Chevrier: I did not see what the minister's table contained, although as I looked at it from here it seemed to be a short one.

Mr. Starr: It is all there.

Mr. Chevrier: I do not think the names of the schools are there.

Mr. Starr: I say write everything down that you want.

Mr. Pallett: That is not what the hon. gentleman asked for.

Mr. Pickersgill: The names of the places.

Mr. Pallett: The names of the places, not the names of the schools.

The Chairman: Shall I call it ten o'clock?

Mr. Chevrier: The committee allowed the minister some extra time beyond ten o'clock to conclude his statement.

Mr. Churchill: But it was not allowed for you.

Mr. Chevrier: If you want to stop me, that is all right.

The Chairman: I know the committee gave permission for the minister to conclude his statement. I do not believe the committee has given leave for the debate to be further continued. I hear voices calling it ten o'clock, and I therefore feel it is my duty—

Mr. Chevrier: I am asking you to allow me to ask an additional question.

The Chairman: In order to do so, I must put the question to the committee to ascertain if unanimous consent is given. Does the hon. member have unanimous consent?

Mr. Winch: Ten o'clock.

The Chairman: It seems that unanimous consent is not given. Therefore, it being ten o'clock, I shall rise and report the several resolutions.

Item stands.

Progress reported.

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

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the business will be for tomorrow and next day?

Mr. Churchill: I hope tomorrow we will be able to complete the supplementary estimates, Mr. Speaker; tomorrow will be the twelfth day so far this session. Last year on similar supplementary estimates the committee spent three days. If we are finished the supplementaries tomorrow, then I expect we will go on with the main estimates for the next fiscal year.

Mr. Chevrier: May I just bring to the attention of the house leader the fact that we have been on this group of supplmentary estimates, No. 3 for four days. We were on the further supplementary estimates, No. 2, to which the minister referred last night and lumped them with these, a period of six days. I do not consider both groups should be lumped together. They are separate groups of supplementary estimates, one of which was tabled earlier in the session and the other of which was tabled on February 8. The first group was tabled on January 24. From the information I have before me we have been only four days on the second group, supplementary estimates No. 3, five days counting today.

Mr. Churchill: And tomorrow will be the sixth day.

Mr. Hellyer: And the seventh day we shall rest.

Mr. Churchill: Out of 40 days of this session, 12 days have been on supplementary estimates, and we still have the final supplementaries.

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

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Indian affairs branch—

Indian agencies—

618. Operation and maintenance—further amount required, $136,000.

619. Construction or acquisition of buildings, works, land and equipment—further amount required $342,550.

Welfare of Indians—

620. Operation and maintenance—further amount required, $188,000.

619. Construction or acquisition of buildings, works, land and equipment—further amount required, $294,500.

Economic development—

622. Operation and maintenance—to extend the purposes of vote 61 of the main estimates, for 1961-62 to authorize the Minister of Citizenship and Immigration to provide, in respect of Indian commercial activities, for the instruction and supervision of Indians, the furnishing of raw materials, the purchase of finished goods and, notwithstanding any other act, the sale of such finished goods; and to provide a further amount of, $91,000.

Education—

623. Administration, operation and maintenance—further amount required, $633,380.

HOUSE OF COMMONS

Wednesday, March 14, 1962

The house met at 2.30 p.m.

(Translation):

PRIVILEGE

MR. BRASSARD (LAPOINTE)—SIMILARITY OF NAMES IN NEWSPAPER REPORTS

Mr. Augustin Brassard (Lapointe): Mr. Speaker, I wish to rise on a question of privilege.

In certain newspapers of the province of Quebec, my name has been linked with the now famous luncheon which took place in Quebec city during the week end. I should like to say that, while I did not attend this luncheon, my colleague from Chicoutimi did. Despite the fact that our surnames are identical, newspapermen should be careful not to mistake what he does for what I do.

Mr. Vincent Brassard (Chicoutimi): I rise on a question of privilege, Mr. Speaker.

I understood the hon. member for Lapointe (Mr. Brassard) to complain, a while ago, that his name was mistaken for mine in some week-end press reports.

I want to state that if such an error took place I had nothing to do with it and that I am not seeking any publicity. If the hon. member for Lapointe is looking for publicity, well, I am in no way responsible for it.

(Text):

BANKING AND COMMERCE

Second report of standing committee on banking and commerce—Mr. Cathers.

INDUSTRY

TENDER PROCEDURE RESPECTING GOVERNMENT SUPPLIES PURCHASED IN CANADA

Mr. E. J. Broome (Vancouver South) moved for leave to introduce Bill No. C-76, respecting government purchase contracts (f.o.b. delivery).

Some hon. Members: Explain.

Mr. Broome: Mr. Speaker, this bill will apply to government contracts for supplies to be purchased within Canada. Its purpose is to prevent discrimination against a tenderer due to his distance from the government supply depot or stockpiling point and the consequent additional freight charges the tenderer must add to his tender. In short, it takes away a built-in tariff enjoyed by companies in the central parts of Canada as opposed to those in the extremities.

Motion agreed to and bill read the first time.

PROVISION FOR CANADIAN PREFERENCE IN GOVERNMENT CONTRACTS

Mr. E. J. Broome (Vancouver South) moved for leave to introduce Bill No. C-77, to provide for a Canadian preference in government construction, purchase and service contracts.

Some hon. Members: Explain.

Mr. Broome: This is the same bill that was introduced last session, and the title is self explanatory.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*TOLL REVENUE, JACQUES CARTIER BRIDGE

Question No. 250—**Mr. Fisher:**

1. What percentage increase in toll revenue was there on the Jacques Cartier bridge in the period since the toll system was changed, by quarters?
2. What has been the total dollar difference between the revenue in this period and the immediately preceding period of the same length when the old toll system was in effect?
3. Given the increased earning powers of the bridge, what is the projected date when the debt of the bridge project as a whole would be wiped out?

Mr. Martini:

1. Automatic toll collection on the Jacques Cartier bridge commenced September 8, 1959, and the percentage increase in toll revenue, by quarters, compared with the previous year, since September 1959 was as follows:

Last quarter	1959	53 per cent
First quarter	1960	56 per cent
Second quarter	1960	64 per cent
Third quarter	1960	53 per cent
Last quarter	1960	11 per cent
First quarter	1961	7 per cent
Second quarter	1961	2 per cent
Third quarter	1961	1 per cent
Last quarter	1961	8 per cent

2. $2,703,155.

3. This part of the question necessitates an opinion as to the traffic in the future, and accordingly a definite answer cannot be given.

ST. JEAN MILITARY COLLEGE—CHIMNEY REPAIRS

Question No. 266—**Mr. Dupuis:**

1. Have any repairs been made to the chimneys of Le College Militaire Royal de St. Jean since June, 1960; and, if so, by whom were such repairs carried out?

2. Were tenders called; and, if so, what are the names of the tenderers and the amounts of the tenders?

Answer by: **Mr. O'Hurley:**

1. Yes. On July 13, 1961, a contract in the amount of $475 was awarded to Central Duct Work Reg'd., 197 St. James building, No. 102 College Militaire Royal de St. Jean.

2. Yes. The following firms were invited to tender:

Firms Invited	Amount Tendered
Central Duct Work Reg'd., St. Jean, P.Q.	$475
Paul Bisaillon, Iberville, P.Q.	778
The Singer Manufacturing Co., St. Jean, P.Q.	No quote.
J. Albert Morin, Iberville, P.Q.	No quote.

SABLE ISLAND WEST LIGHTHOUSE BEACON

Question No. 270—**Mr. Morris:**

1. Has an automatic daylight-controlled acetylene valve been installed for operation of the unattended acetylene beacon light at Sable island west lighthouse?

2. Does the valve extinguish the light during daylight hours?

3. Does it reignite each evening?

4. Is there an additional valve and control to monitor the main light at night?

5. Does failure of the main light cause the second valve to ignite an emergency light; and, if so, at what time interval?

6. How many failures have occurred in the system since it commenced operation, and to what was failure due?

Answer by: **Mr. Martini:**

1. No.

2, 3, 4, 5 and 6. Answered by No. 1.

UNEMPLOYMENT—IMPACT OF AUTOMATION

Question No. 273—**Mr. Caron:**

1. Are any studies presently under way under federal auspices into the impact automation may have on unemployment; and, if so, which department or divisions of government are conducting such studies and have any publications been released on these studies to date?

2. Is it intended to publish the results of any such studies?

Answer by: **Mr. Thrasher:**

1 and 2. The Department of Labour, under its skilled manpower research program, has been conducting studies on the employment and manpower effects of technological change, including automation, since the summer of 1956. Studies published to date on this subject are as follows:

Report No. 2—Technological Changes and Skilled Manpower: Electrical and Electronics Industry and Heavy Machinery Industry (1957)

Report No. 3—Technological Changes and Skilled Manpower: The Household Appliance Industry (1958)

Report No. 8—Technological Changes and Skilled Manpower: The Automobile and Parts Manufacturing Industries (1960)

Report No. 9A—Technological Changes and Skilled Manpower: The Current Status of Electronic Data Processing in Canada (1960)

Report No. 9B—Technological Changes and Skilled Manpower: Electronic Data Processing Occupations in a Large Insurance Company (1961)

A comprehensive report, entitled "Technological Changes and Their Impact on Employment and Occupational", and based on the research findings, was presented to the special Senate committee on manpower and employment in February, 1961.

Last summer a substantial start was made on the manpower effects of technological change in the railway industry, when a special study was carried out covering railway operations in the Atlantic region. A report is now being prepared on the findings.

Plans are well advanced for a survey of a sample of computer users to determine the employment, occupational and organizational effects of office automation, for a second survey on the status electronic data processing in Canada, and for further studies in the railway industry.

ROYAL COMMISSION ON PUBLICATIONS

Question No. 281—**Mr. Herridge:**

1. Who served as commissioners on the royal commission on publications?

2. How much did each receive, by name, in fees, salaries, expenses, etc.?

Answer by: **Mr. Diefenbaker:**

1. (a) Mr. M. G. O'Leary, chairman, (b) Mr. C. P. Beaubien; (c) Mr. J. G. Johnston.

2. Name	Per Diem Fee	Expenses
(a) Mr. M. G. O'Leary	$13,650	$ 430
(b) Mr. C. P. Beaubien	9,975	960
(c) Mr. J. G. Johnston	9,450	1,410

*IMMIGRATION, 1961 AND 1962

Question No. 282—**Mr. Badanai:**

1. How many immigrants have been admitted to Canada, and from what countries, since the new immigration regulations went into effect on February 1, 1962, as announced by the Minister of Citizenship and Immigration?

2. How many were admitted from all countries during the same period in 1961?

Mrs. Fairclough:

1. Statistics on the volume of migration to Canada are made available on a quarterly basis, and I must advise that I shall be unable to furnish the information requested in this question until some time next month. I might say, however, that the great majority of the immigrants who have been admitted to Canada since February 1, 1962, when the new regulations became effective, were undoubtedly processed abroad under the previous regulations.

2. During February, 1961, the number of immigrants admitted from all countries was 4,039.

MOTIONS FOR PAPERS

GARIBALDI PARK, B.C.

Motion No. 16—**Mr. Winch:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, and other documents exchanged between the government of Canada and the government of British Columbia since January 1, 1960, relating to the establishment of Garibaldi park in British Columbia as a national park.

He said: I have been advised by the minister that there are no such documents as are asked for here. That being the case, I ask leave to withdraw the motion.

Mr. Speaker: Dropped.

EXPORT STRATEGIC LIST

Motion No. 18—**Mr. McIlraith:**

That an order of the house do issue for a copy of the strategic list referred to by the Minister of Trade and Commerce, page 708, *Hansard*, February 9, 1962.

Mr. Hees: Two weeks ago today my colleague, the Minister of Veterans Affairs, endeavoured to make a statement with reference to this motion, but the hon. member for Ottawa West was not satisfied with it and proceeded to confuse the issue still further by making a correction in his own statement the following day. The facts are as follows—

Mr. Speaker: Order. Perhaps I had better read the motion. It is not debatable. The minister may, of course, indicate whether it is acceptable or not and explain briefly why he takes his position, but as I say this is not a debatable motion.

Mr. Hees: Mr. Speaker, as recorded in *Hansard* of July 9, 1956, the then private hon. member for Eglinton who now has the honour to be Minister of Finance asked for a copy of certain lists which were controlled through the export permits branch. After explaining the difference between the various lists the then minister of trade and commerce, Right Hon. C. D. Howe, said:

Hon. members will appreciate that I cannot table secret and confidential information—

Mr. Speaker: Order.

Mr. Hees:

—exchanged with certain NATO and other friendly countries covering control of the shipment of strategic goods.

Some hon. Members: Order.

Mr. Benidickson: The minister is violating the Speaker's ruling.

Mr. Speaker: Perhaps I did not make myself clear when I spoke before, but it is not in order to introduce arguments in accepting or rejecting a motion for papers. It is not a debatable motion. It can be transferred under the rules for debate at another time. As objection is taken to the statement of the minister, which in my opinion goes beyond the practice, I would ask him to confine himself to a statement as to whether or not the motion is acceptable.

Mr. Hees: I have here, Mr. Speaker, the *Canada Gazette* statutory orders and regulations, 1962, which contain what I believe is what the hon. member has asked for and which, of course, it is possible for me to send over to him as I shall be very pleased to do; but the other strategic list known as the COCOM list is the one which was refused to this house five years ago by Mr. Howe. I am afraid I must also refuse to make it available because it is a privileged document and not allowed to be made public.

Mr. McIlraith: It is very clear from the reference in *Hansard* and from the question which incorporates the page reference in *Hansard* that the list I am referring to is the one referred to by the Minister of Trade and Commerce at page 708 of *Hansard* of February 9. That is not the COCOM list.

Mr. Hees: I shall be very glad to give the hon. member the *Canada Gazette* list which I have here in my hand.

Mr. Speaker: Does the hon. member wish to proceed with the motion as it stands?

Mr. Churchill: On a point of order, Mr. Speaker—

Mr. Speaker: I think the minister accepts the motion on the same basis, that it is the list which he volunteers to produce that is called for by this motion.

Mr. Hees: Mr. Speaker, the document I am willing to make available to the hon. member was tabled in this house some time ago, and I am glad to let him have a copy

of it. As I understand it I am not allowed, as Mr. Howe was not allowed on the occasion to which I referred, to table the COCOM list.

Mr. Speaker: I am sorry, but I cannot determine what the motion means. I shall put the motion, but I would ask that the minister indicate again whether or not he accepts it before I do.

Mr. Hees: Yes, Mr. Speaker, I shall accept the motion as I have interpreted it.

Mr. Speaker: Subject to the limitations expressed by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

BUILDING TRADESMEN—WAGE RATES STATUS

Motion No. 21—**Mr. Winch:**

That an order of the house do issue for copies of all orders, correspondence, telegrams, and other documents issued since January 1, 1961, by the Minister of Finance, treasury board, or others relative to wage rates status of building tradesmen, such as electricians, steam fitters, carpenters, plumbers, machinists, etc.

He said: Mr. Speaker, may I say that since filing this question I have been in consultation with officials of the Department of Finance and particularly the parliamentary secretary to the Minister of Finance on this matter, and I understand that an agreement has been reached under which certain information will be filed.

Mr. Fleming (Eglinton): Mr. Speaker, the motion is quite broad in its terms. It asks for copies of all orders, correspondence, telegrams, and other documents issued since January 1, 1961 by the Minister of Finance or others relative to certain matters. Obviously, Mr. Speaker, communications between the treasury board and other departments or members of the public service are not producible. Interdepartmental correspondence is not producible and intradepartmental correspondence is not producible. But this would still leave open to production communications between those mentioned, the minister, treasury board and others in the public service, on the one hand, and persons outside the public service on the other, and on that basis the motion would be acceptable on the understanding that it is confined to that latter group of communications.

Mr. Winch: May I say, Mr. Speaker, that apparently there has been some misunderstanding. The parliamentary secretary to the Minister of Finance met with me upon two occasions, and he had one of his treasury officers meet with me. We reached an agreement as to what was to be filed. I would hope that perhaps what was agreed on will be the information filed.

Mr. Fleming (Eglinton): Mr. Speaker, I have correctly stated what is the understanding both of the parliamentary secretary and those officers of the Department of Finance who discussed this matter with the hon. member. What would be properly producible would be correspondence between persons in the public service and persons outside of the public service on this subject.

Mr. Speaker: Is the hon. member prepared to accept the motion subject to the reservations expressed by the minister?

Mr. Winch: On the understanding that I had with the parliamentary secretary to the Minister of Finance.

Mr. Speaker: A motion cannot be put on the basis of an understanding which is not contained in the motion. Shall the motion stand?

Mr. Winch: Did you say "stand", Mr. Speaker?

Mr. Speaker: I asked whether the motion should stand in order to give the hon. member an opportunity to clarify it.

Mr. Winch: No, Mr. Speaker. As far as I am concerned it is completely clarified. I am certain I will get the information I require. I accept the motion.

Mr. Speaker: I shall then put the motion to the house.

Mr. Fleming (Eglinton): I indicated that on a proper interpretation of what is producible, the motion is acceptable. However, it is not acceptable as to many of the things that are specified in the hon. member's motion. I regret to say that he has not made himself clear on this subject. If he has accepted the statement of interpretation, then the motion is acceptable.

Mr. Winch: I am sorry, Mr. Speaker, but this is not fair. The parliamentary secretary saw me—

Mr. Speaker: Order. I cannot permit a debate to go on. If the order is not clear it may be withdrawn.

Mr. Winch: I will accept it, knowing that I will get what I want.

Mr. Speaker: If the hon. member who proposes the order is not prepared to accept the limitation expressed by the minister here in the house, that is one thing. If he is prepared to do that, I shall put the motion on that basis.

Mr. Winch: I shall accept it.

Mr. Speaker: Is it the pleasure of the house to adopt the motion, subject to the limitation expressed by the minister?

Motion agreed to.

ORDER IN COUNCIL P.C. 1961-1012

Motion No. 24—**Mr. McIlraith:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of order in council P.C. 1961-1012 of July 13, 1961, referred to by the Minister of Agriculture on page 1247 of *Hansard* on February 26, 1962.

Motion agreed to.

Mr. Harkness: Tabled herewith.

BREAKWATER-CAUSEWAY, PORT HOOD, N.S.

Motion No. 27—**Mr. Caron (for Mr. Robichaud):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence exchanged between the government of Canada, or any agency thereof, and the government of Nova Scotia, or any agency thereof, since January 1, 1956, on the subject of the construction of a breakwater-causeway at Port Hood, Inverness county, Nova Scotia.

Mr. Walker: The motion is accepted subject to the usual reservations as to privileged and confidential documents, and also the consent of the province of Nova Scotia.

Mr. Speaker: Is it agreed that the hon. member for Hull may present this motion on behalf of the hon. member for Gloucester?

Some hon. Members: Agreed.

Motion agreed to.

PRODUCTIVITY COUNCIL

INQUIRY AS TO REPRESENTATION OF HEAVY INDUSTRY UNIONS

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Trade and Commerce a question. In view of the impressive indictment made by the Canadian labour congress this morning over the failure of the government to provide proper labour representation on government appointed public bodies, will the minister say what steps are being taken to provide for heavy industry union representation on the productivity council which is now in session in Kingston?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, if the hon. member had paid any attention, which I am sure he has not, to the make-up of the productivity council I feel sure he would have noted that representatives of labour constitute a very sizeable part of the membership of the council. I also feel sure that as he spent considerable time in the meeting this morning he will have noted the compliments which the president of the Canadian Labour Congress paid to the Department of Trade and Commerce for having a representative of labour on every one of our trade missions going abroad.

Mr. Martin (Essex East): May I ask a supplementary question of the Minister of Trade and Commerce, who apparently sat all through the deliberations this morning as I did. Is he not aware that the director of the united automobile workers and the director of the steel workers have complained that the heavy industry unions are not properly represented on the productivity council, and does he not recognize that they are a very important segment of the trade union movement in Canada?

Mr. Hees: As I have said, Mr. Speaker, the national productivity council has been carrying on very effectively and well and doing a good job for Canada during the past year. If this matter was of such great concern to the hon. member, I am surprised that he did not rise in his place and express his concern a long time ago.

Mr. Martin (Essex East): I did.

Mr. Hees: Having worked with the council and having spent a lot of time with its members, I assure him I am convinced that we could not have five better members on that council representing labour than those we do have. They are all excellent men doing an excellent job.

Mr. Speaker: I note that the hon. member for Essex East has given notice of a question on the order paper. Does it cover the same ground?

Mr. Martin (Essex East): No, Mr. Speaker. The question on the order paper has some refinements that I did not think would be understood by the minister.

HOUSE OF COMMONS

TAPE RECORDING OF HOUSE PROCEEDINGS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I know it is not customary and may be out of order to address a question to you on orders of the day; therefore I will direct my question to the Prime Minister. I should like to ask the Prime Minister if he has noted or knows of the report written by Norman Campbell of the parliamentary press gallery to the effect that, unknown to the great majority of the members of the House of Commons, the proceedings of the house are being tape recorded. I should like to ask—

Inquiries of the Ministry

Mr. Speaker: Order. The hon. member is asking a question which relates to administration, and it is not customary to ask such questions in the house. It has been the usual and invariable practice not to involve the Chair in matters which are controversial. If the hon. member would like information about the matter which is raised in the press report, all he has to do is come to the Speaker's office and he will receive full information on the subject.

Mr. Winch: I am sorry, sir. I will put the matter in a different way. May I now raise a question of privilege affecting all members of the House of Commons?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not wish to interfere in any way with the hon. member's remarks, but in view of the fact that the question was directed to me I think I should have the opportunity to answer.

Mr. Winch: I have not explained the entire situation.

Mr. Diefenbaker: The question was directed to me, and I would have to answer that I do not have the information he has referred to.

Mr. Speaker: I think the question is not one which is properly addressed to any member of the government because it is not a matter of the administrative responsibility of the government. If hon. members are—well, I think perhaps I should not myself introduce any controversial note, and I will leave the matter there.

Mr. Winch: Will you allow me to raise a question of privilege that concerns all members of the House of Commons?

Mr. Speaker: Yes.

Mr. Winch: I rise on a matter of privilege, namely that it has now been made public that the reports of proceedings of this House of Commons are not just being conveyed or registered by the *Hansard* reporters, in that there is now, and has been for some time, an electronic control going down to a basement room beneath the House of Commons whereby everything said in the house is taken down by tape recorder. I would ask you, sir, why this is being done; because there is a very definite question as to the records of the House of Commons, going back in custom and tradition, and now in a room below us there is a tape recording being taken of what is said in this house—

Mr. Speaker: Order. If the hon. member will also add to his statement—will the hon. member resume his chair? He raises a prima facie question of privilege, providing what he alleges is being done without the authority of the house. If he will complete his case by saying that, I shall entertain a motion to deal with the matter.

Mr. Winch: Then, sir, I shall say this; that just a year, or approximately a year ago, it was decided by yourself—I believe through the medium of *Hansard*—to have an experiment made on tape recordings. You, sir, reported to the house and we had knowledge. There was no objection. Consent was given and, to the best of my knowledge and of yourself in particular, the experiment failed. At that time, a year ago, you yourself said that would be done, but I have no knowledge that at any time in this session we in the House of Commons were told that a new experiment was to take place and that there were going to be tape recordings made in addition to our *Hansard* report. Now, sir, I have no knowledge of that being announced in this house.

Mr. Speaker: The hon. member has raised a matter which he asserts involves the privilege of the house, and perhaps in certain circumstances the privilege of the house would be involved if, without their consent, a report were being made of the proceedings within the house, because obviously that is a matter within the control of the house. I think I will recognize the question as involving the privileges of the house, and if the hon. member wishes to propose a motion, as a result of what he alleges, he is at liberty to do so.

Mr. Winch: To go a little bit further and debate this matter—

Mr. Speaker: Order. The matter is not debatable, now that I have found that it involves privilege, unless there is a motion before the house.

Mr. Benidickson: Let us desist from the use of these machines.

POWER

MEETING WITH PREMIERS RESPECTING NATIONAL GRID

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Prime Minister. Can the Prime Minister inform the house whether meetings between the Prime Minister and the provincial premiers on the power grid question have been definitely scheduled for March 19?

Right Hon. J. G. Diefenbaker (Prime Minister): Meetings have been arranged between representatives of the government of Canada and of the provinces. Not all will be in attendance. I think all the provinces except Quebec will be sending representatives. I emphasize that no question of intrusion in

any way into provincial jurisdiction over power within the provinces will be raised. The purpose of the meetings is to bring about, in a spirit of co-operation and consultation, developments that may in months or years ahead make it possible for power to be transmitted from one province to another in order to bring together within this nation the greatest possible power development at the lowest price.

Mr. Herridge: I am glad to receive the Prime Minister's answer, but I would like to ask him a supplementary question. Does the Prime Minister expect to have a private conference with Premier Bennett of British Columbia before, during, or after the national grid conference to discuss the Columbia treaty issues as between the governments, which conference has been proposed by Premier Bennett?

Mr. Diefenbaker: Mr. Speaker, I think two of the premiers are going to be present at this conference, Premier Bennett and Premier Roblin. The only arrangement for any meeting between representatives of the government of Canada and Premier Bennett is for one that is to take place over the week end between the Minister of Finance and the premier of British Columbia.

CIVIL DEFENCE

MANITOBA—REPORTED STATEMENT BY PREMIER RESPECTING SHELTERS

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Prime Minister whether he has any comment to make on the statement of Premier Roblin of Manitoba, who is reported by the Canadian Press of last night to have said he would not encourage the building of private shelters in Manitoba because of the lack of any clear-cut policy on the part of the federal government?

Right Hon. J. G. Diefenbaker (Prime Minister): I have not seen the report in question, and I therefore have no comment to make.

Mr. Martin (Essex East): Reply tomorrow.

IMMIGRATION

ENTRY OF CUBANS INTO U.S. VIA CANADA

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I wish to direct a question to the Minister of Citizenship and Immigration. Has the minister any comment to make on the four Cubans who defected at Gander, Newfoundland, last week, who are now seeking entry into the United States, and who saw their first game of hockey in Newfoundland?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I do not know whether the game had anything to do with it, but the individuals in question received their United States visas and were supposed to leave from Montreal last evening. So far as I know they took their departure, but I have not had a final report.

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM—INQUIRY AS TO REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I must apologize for being so troublesome, but there are a number of serious matters that concern my constituency. In view of the wish expressed by the representatives of the municipalities, the chambers of commerce, labour organizations and industry in the Kootenays that members of the permanent forces be stationed there for psychological reasons and for the protection of property, if the attorney general of British Columbia applies for these forces according to the method mentioned by the minister yesterday in this house, would the federal government supply them to perform this service?

Mr. Speaker: Order. The hon. member is asking a hypothetical question, not one based on an actual application. It is not customary to ask hypothetical questions of the ministry.

Mr. Herridge: Has the minister received any correspondence from the attorney general along these lines?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, the only word I have had from the attorney general was a telegram to which I referred yesterday and the answer that I gave yesterday to the question asked by the hon. member for Kootenay East (Mr. McFarlane) which is also the answer to the question asked by the hon. member for Kootenay West.

AGRICULTURE

PAYMENTS AND ARREARS UNDER ADVANCE PAYMENT LEGISLATION

On the orders of the day:

Mr. G. D. Clancy (Yorkton): Mr. Speaker, this is a question addressed to the Acting Minister of Agriculture, and it is in three parts.

First, did the supplementary estimates of the Department of Agriculture, item 611, contain any stipulation or reservation other

than the limits of cultivated acreage and maximum payment? Second, did the Prairie Grain Advance Payment Act provide adequate safeguards for the collection of arrears? Third, on whose authority has an agency of the government undertaken to deduct from acreage payments arrears under the Prairie Grain Advance Payment Act?

Hon. D. S. Harkness (Acting Minister of Agriculture): Mr. Speaker, I would have to check into these various acts which have been mentioned in order to give a completely accurate answer to the question, and I suggest it should be put on the order paper.

INDUSTRY

SULPHUR CONVERTING CORPORATION, MONTREAL —INTEREST OR INVOLVEMENT OF GOVERNMENT

On the orders of the day:

Mr. Alexis Caron (Hull): Mr. Speaker, may I direct a question to the Minister of Labour. Yesterday, as reported at page 1734 of *Hansard,* I asked whether the minister had any statement to make about the statement of Father Turgeon, parish priest of Lauzon. The minister answered:

This is the first time I have heard about this matter.

Is the minister in a position to answer today?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I have not had an opportunity to look up the reference that the hon. member brought to the attention of the house at that time.

Mr. Caron: I will send you a photostat copy of the reference.

Mr. Martin (Essex East): Will the minister do it tomorrow?

LABOUR CONDITIONS

RAILWAY EMPLOYEES—INQUIRY AS TO CONCILIATION PROCEDURE

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I would like to address a question to the Minister of Labour. I asked the minister last week if he would advise the house at the first opportunity when he reached a decision with respect to the request of the non-operating railroad employees for the appointment of a conciliation board. Has the minister yet reached a decision with respect to this matter?

Hon. Michael Starr (Minister of Labour): Yes, Mr. Speaker.

[Mr. Clancy.]

SUPPLY

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

DEPARTMENT OF LABOUR

Technical and vocational training assistance—

636. To carry out the purposes of the Technical and Vocational Training Assistance Act and agreements made thereunder—payments to the provinces—further amount required, $28,400,000.

The Chairman: Shall this vote carry?

Mr. Martin (Essex East): Is the minister going to make a statement?

Mr. Starr: Mr. Chairman, with the permission of the committee, and for the benefit of the hon. member for Essex East, I made my statement last evening. However, last evening the hon. member for Laurier asked if I could compile for him a list of the names of the schools in each province by municipalities. We have done this, and I am prepared to table this list for the information of the committee. However, I would just like to point out that the table I included in yesterday's *Hansard* as shown on page 1778 shows the position as of February 23, 1962, whereas this compilation goes beyond that, to March 14, 1962. Therefore there are other schools that are not in the table. This does not affect the correctness of that table, but it is a more up to date compilation. I ask permission to table this document.

Mr. Pickersgill: Is it the intention of the minister to have this list inserted in *Hansard*?

Mr. Starr: The list is about 20 or 25 pages.

Mr. Pickersgill: It seems to me that it is not a very large expenditure of the public money to have 25 pages printed, when we are spending $25 million, so the public would know where this money is being spent. I think the minister should either read the list or ask to have it printed in *Hansard*, whichever he prefers. We want the list for the information of all hon. members of the committee and for anyone else who is interested. Merely tabling it does not provide it for that purpose.

The Chairman: We are in committee at the present stage, and the committee has not the power to order this insertion in *Hansard.* Therefore the only way it could be handled would be for the minister to incorporate it in his speech. If he received the unanimous consent of the committee he can have it inserted as a part of his speech. It could be done in that way, or it could be read by the minister.

Mr. Starr: Mr. Chairman, I think that is a ridiculous request, because then the hon. member would not be able to get this information until *Hansard* is printed tomorrow,

whereas I am prepared to table it now and if anyone needs any part of this information it is readily available during the discussion, if that was the purpose of asking for such a list.

Mr. Pickersgill: One sometimes asks, how ridiculous can ministers get.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I do not believe that this government, which has more than doubled the expenditures on information and publicity, has let a minister come into this chamber with only one copy of this document. The suggestion that if he gave one copy to *Hansard* no copies would be available to hon. members is really ridiculous. I suggest that the minister make one of the copies he has available to *Hansard* and have it inserted as part of his speech. We do not want him to read it, but we do want it in *Hansard* and we would just like to have it as an extension of what he has to say. We would also hope that from the dozens of extra copies that ought to have been prepared in view of the request made last evening by my hon. friend from Laurier, one or two would be made available to hon. members of the committee so that we can discuss it today.

Mr. Benidickson: There are extra copies in his office, surely.

Mr. Martin (Essex East): Mr. Chairman, I am rather amazed that the minister has not placed this table on *Hansard*. First of all, last evening in the brief declaration which the minister now regards as a satisfactory statement he did indicate that he would place these figures on *Hansard*. He was requested to do so by the hon. member for Laurier, who asked, as reported at page 1779 of *Hansard*:

> Would the minister tomorrow, so that we can have these during the course of the discussion, put on *Hansard* by provinces the places, the cities or communities in which these trade and vocational schools and technical institutions have been constructed—

Then the minister said:

> The table that I asked to have placed on *Hansard* as part of my remarks, Mr. Chairman, does show by provinces—

And so on. Surely there should be no question about the minister doing this readily so that we may have an opportunity of ascertaining whether the government is properly fulfilling the objectives that it indicated when the program was introduced it was going to see would be effected.

Mr. Starr: Mr. Chairman, I should like to say at this point, just to correct any wrong impression that may be left with the committee, that the federal government has no power to designate where these schools will be built. That is entirely within the jurisdiction of each provincial government. We only participate in the expenditure in connection with these schools. I make that point so that the impression the hon. member for Essex East tried so deviously to leave with the committee may be corrected.

Mr. Martin (Essex East): I do not know why the minister is being so touchy today. No one suggested that there is any constitutional problem involved in the tabling of figures that will show the extent of moneys that are being paid—

Mr. Starr: I am prepared to table them.

Mr. Martin (Essex East): —by this government to assist the provinces in respect of matters that come under section 92 of the British North America Act. I can only conclude that the minister is touchy today because of the very strong, and I think on the whole justifiable, criticisms levelled at the administration this morning by the Canadian Labour Congress, particularly on the question of inadequate labour representation on public bodies. It is significant, too, that in the brief presented this morning by the labour congress mention was made—

Mr. Starr: I rise on a point of order. This has nothing to do with the item under discussion.

Mr. Martin (Essex East): The minister is now indulging in a new form of procedural interpretation which is unique. The fact is that the program covered by the supplementary estimate is one of those programs which came under the review this morning when the labour congress—

Mr. Starr: No.

Mr. Martin (Essex East): Yes, by implication. The government should realize that the program is not as satisfactory as the minister would seem to indicate. I have read the statement made last night by the minister in the closing hours of our sitting, and I regret to think that he feels that this was an adequate statement of what is degarded as one of the major devices now being employed in the long term to provide relief for the very serious unemployment which continues in this country.

It is regrettable that we should be discussing this particular problem at this moment without having before us the latest reported figures on unemployment. This is March 14. We received the last report on February 13, and the usual practice is for the dominion bureau of statistics and the Department of Labour to make available the latest unemployment figures month by month. More than a month, now—just over a month

—has elapsed since the last figures were produced. One wonders—and I am not suggesting that this is necessarily so—whether the figures are not available today because of the representations which were made this morning by the largest body of labour in Canada and also, possibly, because we are now discussing a matter that has to do with the rehabilitation of the unemployed.

Mr. Starr: I rise on a question of privilege.

Mr. Martin (Essex East): There is no question of privilege involved in this.

Mr. Starr: The hon. member now speaking has left the impression that the figures prepared by the dominion bureau of statistics on the employment and unemployment situation are being withheld.

Mr. Martin (Essex East): That is not a question of privilege.

Mr. Starr: Yes, it is. He says they are being withheld purposely because of the representations by the Canadian Labour Congress and because—

Mr. Pickersgill: I am rising on a point of order.

Some hon. Members: Sit down.

Mr. Starr: You have too much to say. You had better sit down. I have the floor now. You can push somebody else around, but you are not pushing me around. I know you would like to very much.

The Chairman: Order. Now I have the floor. I gave the floor to the Minister of Labour, who has brought up a matter of privilege, and I will hear him out on his question of privilege before any other problem is raised.

Mr. Pickersgill: I have risen on a point of order respecting the question of privilege.

Mr. Starr: I am speaking on a question of privilege, and I am not going to be bulldozed by anyone who does not observe the rules of the house.

An hon. Member: Cool down.

The Chairman: The minister has not finished speaking on the question of privilege.

Mr. Benidickson: Surely a point of order intervenes.

The Chairman: If there is a point of order which arises I will hear the hon. member for Bonavista-Twillingate on the point of order.

Mr. Pickersgill: My point of order is this—

Mr. Starr: A question of privilege has precedence over a point of order, even if the hon. member does not know it.

[Mr. Martin (Essex East).]

Mr. Pickersgill: Read the rules.

The Chairman: I think that for the intelligence of the Chair and of the committee it would be well if the minister were to state briefly his question of privilege. Then if there is a point of order I will hear the hon. member on the point of order. But before any point of order can arise the minister must make his statement.

Mr. Starr: Because there have been these interruptions I want to repeat what I have said on my question of privilege. My point is that the hon. member for Essex East left the impression with me, and I am sure with the members of this committee, that the dominion bureau of statistics release on unemployment has been withheld because of the presentation of the Canadian Labour Congress representatives and because this supplementary estimate was coming up for discussion. I say that is wrong and false, and the hon. member knows it very well.

Some hon. Members: Hear, hear.

Mr. Pickersgill: I am rising on a point of order, and I submit in the most respectful way for the consideration of Your Honour that since I was rising on a point of order as to the propriety of the question of privilege I should have been heard immediately, because the point of order I was raising was that this was not a question of privilege and that the minister had said enough to demonstrate that fact.

As Your Honour is well aware, a question of privilege arises with respect to an individual member or to the house or to the committee, and not with respect to the thin skin of the government. What the hon. gentleman was seeking to do in the guise of a phony question of privilege was to reply to an argument put forward by the hon. member for Essex East before my hon. friend had completed it, an argument condemning the conduct of the government. If it is no longer to be competent for members of the committee on this side of the house to criticize the government without phony questions of privilege being raised and continued even when points of order are raised about them, although hon. members have a right to raise those points of order, we shall soon have no rights left in the opposition in this chamber.

Mr. Starr: To deal with the point of order, which is not a point of order, raised by the hon. member for Bonavista-Twillingate, may I say it was just pure nonsense and hot air as usual.

The Chairman: I believe the matter arose out of the desire of the minister to make a personal explanation, which is often treated

as a matter of privilege, arising from a remark made by the hon. member for Essex East. The hon. gentleman has made his explanation and the hon. member for Bonavista-Twillingate has raised a point of order on the propriety of the question raised. I think now we should hear the hon. member for Essex East.

Mr. Pickersgill: I feel I must respectfully insist upon a proper judgement as to whether or not this kind of tactic—

An hon. Member: Boloney.

Mr. Pickersgill: —of raising so-called questions of privilege and interfering with the right of the opposition to present its case is to be tolerated in this committee. This is just a new form of closure.

The Chairman: I have ruled on the matter. Points of privilege and points of order can only be dealt with as they arise. Right now they have been settled, and if the hon. member for Essex East has not finished his remarks I will call on him to continue.

Mr. Martin (Essex East): I am surprised that Your Honour should suggest that perhaps I had finished. It must have been apparent that I was just beginning. Now that I have the opportunity to take part in the discussion I will afford the Minister of Labour an occasion to develope that serenity which lends itself to a more objective form of debate. We all understand that the minister, at the present time, is touchy. He has obviously been irritated by what happened this morning. I hope he will calm himself and listen to a discussion of this matter—

An hon. Member: Get on with it.

Some hon. Members: Order.

Mr. Martin (Essex East): On a question of privilege, Mr. Chairman, I am going to ask you—

The Chairman: I do not know what the hon. member wants to ask me, but I want to ask members of the committee to restrain their remarks and interjections so that whatever is being said can be heard.

Mr. Martin (Essex East): I would ask you, Mr. Chairman, having in mind some of the experiences we have had in the past two or three weeks during debates in this house, to take note of what is happening now.

It is evident that hon. gentlemen opposite do not like to have members of the official opposition examine their policies or criticize those policies and every time we undertake to make a statement of criticism there apparently is an organized claque sitting behind the ministry who make it impossible. I am simply suggesting with great respect to the Chair that it is the function of the Chair to see that this claque behind the ministry does not succeed.

The Chairman: Order. I think at this stage I should say a word. As the hon. member for Essex East knows very well and as I hope other hon. members know I have been attempting to restore order. I will ask all hon. members to co-operate so that we may proceed with the debate in an orderly fashion. That is all I have to say for now. If there are further interruptions I trust we shall be able to deal with them as they arise.

Mr. Martin (Essex East): The matter we are now discussing, Mr. Chairman, is one of the greatest importance to this country because notwithstanding the extenuating circumstances and the explanations given by this government the fact is that we still face in Canada a very serious problem of unemployment more serious that that existing in any other country in the western world. That cannot be contradicted by the Minister of Labour.

The particular item now under discussion is one related to a mitigation of that problem. It deals with a program that should have been embarked upon a long time ago, certainly not later than—

Mr. Campbell (Stormont): 1955.

Mr. Martin (Essex East): —the beginning of 1958 by this government.

Mr. Campbell (Stormont): 1955.

Mr. Martin (Essex East): Of course there was work being done along those lines then, but the problem has become serious particularly since the autumn of 1957.

Mr. Campbell (Stormont): 1955.

Mr. Martin (Essex East): Since the fall of that year we have had more unemployment in Canada—

Mr. Flynn: A point of order, Mr. Chairman.

The Chairman: The minister is rising on a point of order.

(Translation):

Mr. Flynn: Mr. Chairman, I rise on a point of order.

As usual, the hon. member for Essex East (Mr. Martin) is not confining himself to the item under consideration. We are called upon to vote an additional amount under the Technical and Vocational Training Assistance Act, and I ask you to consider the relevancy of the hon. member's remarks with regard to the supplementary estimate now before the house.

Mr. Chairman, I should like to refer you more particularly to page 738 of May's sixteenth edition which reads partly as follows:

(Text):

—but if the supplementary estimate is merely to provide additional funds of a relatively moderate amount required in the normal course of working of the services for which the original vote was demanded, only the reasons for the increase can be discussed and not the policy implied in the service which must be taken to have been settled by the original vote—

(Translation):

Mr. Chairman, as usual the hon. member for Essex East is trying to go beyond the scope of this debate.

(Text):

The Chairman: Does the hon. member for Essex East wish to speak to the point of order?

(Translation):

Mr. Martin (Essex East): Mr. Chairman, I feel the point of order raised by the Minister of Mines and Technical Surveys is not well taken. I am surprised that the minister should rise on a point of order; indeed, as he presided over our discussions for nearly three years, I would have expected him to come up with something more worth while.

The Chairman: Order.

Mr. Flynn: Mr. Chairman, if I may help the hon. member understand my point of order, I should like to point out to him that he was starting off on a general discussion of the employment and unemployment situation, which is not relevant to the item under consideration.

(Text):

Mr. Pickersgill: Mr. Chairman, I should like to say a word on the point of order which has twice been spoken to by a minister of the crown opposite. I would say this. I am astonished that even so inexperienced a minister as the Minister of Mines and Technical Surveys should regard $28 million as an insignificant addition to a vote. We on this side of the house do not regard the spending of $28 million of the taxpayers' money as insignificant.

The Chairman: That is not a point of order.

Mr. Pickersgill: That is the foundation, sir.

The Chairman: At this stage I feel I should rule on the point of order.

Mr. Pickersgill: Mr. Chairman, am I to be denied my argument on the point of order when the minister has spoken twice?

[Mr. Flynn.]

The Chairman: Order. I must remind the hon. member that I was on my feet. As far as the point of order is concerned I wish to point out that I feel the hon. member for Essex East in speaking to this item, which as the hon. member for Bonavista-Twillingate has pointed out is an important one was laying a foundation for his argument and so far I have not found that he has strayed too far from the subject matter, which is rather broad. I now ask the hon. member for Essex East to continue.

Mr. Martin (Essex East): Mr. Chairman, I would be less than appreciative if I did not recognize the precise way that Your Honour has recognized how invalid was the interpretation of Your Honour's predecessor, the present Minister of Mines and Technical Surveys.

Some hon. Members: Shame.

Mr. Martin (Essex East): Let the record show it. There is the claque again. They do not like it.

Mr. Pugh: Speak to the item.

Mr. Martin (Essex East): Some of those who are resisting what I am now saying represent communities where thousands of people are out of work. If hon. gentlemen opposite persist I shall take each one of them by constituency and name them as being among those who, instead of making it difficult for us to speak about solutions for unemployment, should join with us in our objective discussion attempting to ascertain what should be done to correct a problem that is more serious in Canada than in any other industrial country in the western world.

Mr. Ricard: What did you do?

Mr. Martin (Essex East): It is all very well for the government—

Mr. Pallett: If the hon. member is to name members he might start with the hon. member for Leeds who is constantly interjecting.

Mr. Martin (Essex East): The hon. member who now interrupts me, the whip of the Conservative party, is the last member in the house who should, because his constituency is one in which thousands of people are out of work as a result of the policies of this government.

Mr. Pickersgill: The Arrow.

Mr. Martin (Essex East): The Arrow, the Arrow; oh, precious memory. Fifteen thousand men overnight were let go as a result of the failure of this government to properly assess economic conditions relative to employment as they affected the situation at that time.

Mr. Pickersgill: Thrown out of work by the Prime Minister.

Mr. Hellyer: Nothing is left of the Arrow but ashes and a bitter memory.

Mr. Nugent: Mr. Chairman—

The Chairman: I observe that the hon. member for Edmonton-Strathcona is rising.

Mr. Nugent: Mr. Chairman, I simply wished to ask the hon. member if he would permit a question. The hon. gentleman suggested he would take each constituency and deal with the unemployment problem there. I for one would be most grateful if the hon. member would give some concrete examples of how we might alleviate unemployment in the constituency of Edmonton-Strathcona.

Mr. Martin (Essex East): I will give the hon. member a good answer immediately: change this government. I have other answers but I will not give them until I have concluded what I am now saying.

Mr. Nugent: My constituents will recognize the extent of the assistance the hon. member offers.

Mr. Martin (Essex East): The proposal that $28,400,000 additional moneys be voted by this house in respect of the government's technical and vocational training assistance program is one that is of course welcomed by everyone in this house. But the point is that when we are discussing this we ought to ascertain the extent to which the present program is meeting the problem. We ought to ascertain the extent to which the provincial governments which, as the minister probably said, have a constitutional responsibility in this matter are bearing their share and cooperating in a program which in the long term, and only in the long term, will have the effect of mitigating the serious unemployment problem.

In a speech he made on February 22, 1961 the minister recognized that the government embarked on this program somewhat tardily. The minister did not say so, but he might well have said that when it became apparent in the autumn of 1957 that unemployment was reaching abnormal and alarming proportions he would have done well to heed the warning of the leader of the opposition and several other hon. members in the Liberal party to the effect that some positive steps ought to be taken to accelerate this vocational training program. I myself placed on *Hansard* the statement made by the chairman of the vocational training council which advises the minister on this very program. In his report the chairman had pointed out that, according to the advice given by the unemployment insurance commission, there was every indication that 1958 and following years for an indefinite period were going to be difficult ones from the point of view of unemployment. He also pointed out that, such being the case, the government should make available funds with which to accelerate the program. We mentioned this matter on the floor of the House of Commons. At that time we were told by the Minister of Labour that the situation was not as serious as we had pictured it, that the government was doing everything it could in the matter of vocational training and that all was well. Indeed, the Minister of Finance, in his budget some few months later, denied that the problem even existed in proportions that required more than normal treatment.

Mr. Pickersgill: It was going with the snow.

Mr. Martin (Essex East): Yes, they said it was going with the snow; and as the Prime Minister said, "No one will suffer as long as I am Prime Minister or as long as a Conservative government is in office". That was the tenor or the sense of this government's appreciation of the problem at that time. Yet, as I say, we find the Minister of Labour speaking in Ottawa on February 22 and saying that the program had been expanded impressively in Britain, in Germany and in France. The minister even said that Russia is making great strides in many fields but that Canada is lagging behind. Those are the words of the Minister of Labour on February 22, 1961. When we are examining how slowly this program is moving I think it is only right that we should point out that it would have moved much faster if it had been embarked on in this accelerated fashion much earlier than the government finally took action after the prodding—and that is a matter of record—of hon. members sitting here in the Liberal party. All that hon. gentlemen opposite have to do is to look at *Hansard* and they will see the kind of criticisms they make about our suggestion that one way of mitigating unemployment was by providing further training for the unemployed.

This afternoon the minister said that I was wrong in suggesting that the Canadian Labour Congress this morning had criticized the government. I have not had a chance to read the brief again but I am sure that my impression of the representations that were made this morning is accurate. But let there be no doubt about what labour thinks about the tardiness of this government in trying finally to do something about this problem along the lines that were recommended. I have before me a statement of Mr. Archer, the president of the Ontario Federation of Labour who, commenting on this problem, said this:

The training program for 1,400 unemployed, announced on Tuesday by Education Minister John Robarts, is too little and too late—

He said:

"I don't know why they didn't start this years ago when there was a chance of it having some effect,"—

As we know, this problem is related to actions taken by provincial governments because the federal government under this scheme—and for this we complimented the government at the time—is providing 75 per cent of the capital cost of technical and vocational training facilities up to March 31, 1963, and 50 per cent thereafter. I will say to the Minister of Labour that now is the time to recognize that this limitation is not satisfactory. We are just beginning to deal with this problem of providing vocational training to the unemployed and the unskilled. This date of March 31, 1963 should be advanced. We should now let the provinces know that we are prepared to pay at least 75 per cent of the capital cost of technical and vocational training for a longer period.

We are now being confronted with evidence of the tremendous effect of automation—much more in the last year than perhaps we have had in the last decade—when all over this country, as in the United States, there is evidence that the discoveries in the electronics industry in particular have brought about a massive movement toward automation the like of which we did not even anticipate a year ago. This is going to put more and more people out of work. The hon. gentleman—I refer to the Minister of Labour—who now indulges in what is perhaps an important conversation with the whip but which I am sure is not as important as that in which I am now engaging, should embark upon a program that will advance this limited date of March 31, 1963. We must really try to meet this problem of training in a manner away beyond anything that is now in existence and even away beyond the level designated by the hon. member for Trinity, who in a notable speech in this house five years ago stated—

Mr. Creaghan: Mr. Chairman, I do not wish to interrupt the hon. member but I wonder whether he would answer a question at this time, as I feel it is relevant to the point he is now making. The question I should like to ask is this. Would the incentive to the provinces be lost if they now knew that the date of March 31, 1963, was now going to be extended three or four years. I suggest that it is the incentive to take advantage of the offer that is making the buildings go up at the present time.

Mr. Martin (Essex East): The hon. member for Westmorland has put a serious question and he deserves a serious answer.

[Mr. Martin (Essex East).]

Mr. Nugent: I put a question and did not get a serious answer.

Mr. Martin (Essex East): I gave the hon. member a serious answer but I am going to give the hon. member for Westmorland a more serious answer because he deserves one. I am sure that the argument in answer to that question may not satisfy the hon. gentleman and there may be something in what the hon. gentleman says. However, if one bears in mind what has been said by the ministers of education, what Premier Robarts said last week, and what was said by the Minister of Labour in the month of September anticipating the character of the problem that was unfolding, I think the real view is that there is no need of our acting like children in this matter with regard to the senior levels of government but that we must co-operatively recognize the problem that is before us. If we lose something by anticipation, I am sure we shall gain by providing an opportunity for both governments to plan for what is undoubtedly one of the serious problems in our modern industrial society.

I have said that in the last few months alone we have seen evidence of the growing seriousness of the problem of automation. First of all, may I say this about automation. The government has in the Department of Labour some studies that are under way through the economic research division of the department. But are we satisfied in this House of Commons with the evidence of these researches? We have been asking repeatedly when certain studies are going to be completed. Last year I asked I think four or five times when the studies on automation in the automobile industry were going to be completed. I understand that they are now completed. However, while the automobile industry is one of the vital ones in this context, it is only one of a number. This government is not giving any evidence of its appreciation of the character of this particular problem. I know there are some in this country who say that we are exaggerating unemployment. I hear that said all the time. When I talk with hon. gentlemen opposite privately they always say, "You overstate the problem". Perhaps they are sincere in that statement.

Mr. McGee: Right.

Mr. Martin (Essex East): I notice that some newspapers say the same thing about those of us in the Liberal opposition who harp on this matter. The hon. member for York-Scarborough says "right". He is another one who should not say that when there are thousands of unemployed in the constituency he represents. I say this is a vital problem. I spent last week end, as I spend many week

ends, in my constituency having delegations of groups and individuals come to me looking for work.

An hon. Member: Oh.

Mr. Martin (Essex East): Someone says "oh". Let him come there and I will show him what it means to have hundreds of men and women who have no work come to me all day Saturday and all day Sunday. Some have been out of work for over three years. This story is one that can be repeated all over the country.

It is all very well for some to say that we are exaggerating this problem. It is all very well for them to say that we are playing politics with this problem. I deny that. Let them go to Brockville where 1,100 people are out of work. This problem is serious and it is going to have to be dealt with by our government, by the government of any free society if we are going to maintain the character of our free society.

This is no laughing matter. I speak this way today because, notwithstanding the good intentions of the Minister of Labour, I feel that the government has not yet realized the seriousness of the problem and has not yet realized that the problem instead of diminishing is growing. To be able to say that now there are only 545,000 unemployed compared with about 600,000 a year ago is no answer to the problem. That does not meet the situation. These 545,000 people constitute over 8 per cent of the work force of the country. That is a mighty serious problem, and I ask the government to give us any indication that they have plans that are going to provide for improvement in this situation.

They may be able to show that in the month of May there will be fewer unemployed than in the previous month, possibly less than in the comparable month of the previous year, but that will not satisfy or convince those that are concerned about the problem that any real step is being taken to deal with it. I will admit, as I have long ago in the house, that this particular method of providing assistance will have its beneficial results in the future ten years from now, but it certainly is not helping us at the present time. That is one thing that we must bear in mind. Having in mind that limitation, I suggest to the minister that there are some considerations with regard to the program that he should take into account to make it more effective in becoming a successful and vital instrument to deal with the problem of unemployment at a particular period.

First of all, we should be able to have from the department figures as to the number of students receiving vocational training in Canada. The minister said that he has placed a table before us which will reveal the expenditures by provinces, but I have seen a statement by an official of the Department of Labour, which appeared in the *Financial Post* only two weeks ago, in which he said with regard to information as to numbers of students:

> —we just can't. We are working on it but it isn't like Britain where there is some central authority which controls the whole picture.

In other words, even at this late date we cannot get from the government statistics as to the numbers receiving this kind of training which would enable us to make a more effective assessment of the validity of the program. For instance, we find that Prince Edward Island was dissatisfied with the $48,000 that Ottawa was prepared to pay toward establishing and running vocational schools in that province. Why was it dissatisfied? The government of that province wanted $100,000. The minister in charge of the department there said that $100,000 was the minimum that would be required to do the kind of job which is needed in the present circumstances in Prince Edward Island. The Minister of Labour ought to be able to tell us from an assessment of the figures why the situation is of such a character in the province of Prince Edward Island.

The Chairman: Order. I regret to interrupt the hon. member but his time has now expired.

Mr. Martin (Essex East): I will continue later.

Mr. Regier: Mr. Chairman, I believe that the Canadian people heartily welcomed the announced intention some time ago to render effective assistance in the field of vocational or technical education. According to the table that was placed on the record last night, I understand that the federal government's contribution either already paid or contemplated with regard to projects approved to date will cost the national treasury some $179 million. I believe that the extent of the aid is an indication that the country is demanding action in this regard. As our products face ever increasing competition in the markets of the world and as other nations are becoming industrialized and automation is entering our production lines with greater and greater intensity, the problem of giving the scientific and technical know-how to our people in adequate numbers must be met if we expect to continue to grow as an industrial nation and compete in the markets of the world.

Having welcomed the extent of the effort of the government in this field, at the same time I want to condemn the government for its irresponsibility in spending $179 million

without ensuring that the taxpayer is going to receive real value for the tax dollars that I am sure he is most willing to make available for the professed intent of the measure. I should like to ask the government this question. What consultation has it had with organized labour and organized industry in Canada in order to determine the particular types of technical education that are required by the country today and, more particularly, that are likely to be required in our economy tomorrow? It is my belief that the government has done practically nothing. It has spent almost $180 million on plans with regard to something about which it has practically no knowledge.

I know the answer will likely be that education is a constitutional responsibility of the provincial governments. However, I cannot ignore the fact that the federal government is paying 75 per cent of the cost and that in many instances the type of training that is being given is completely obsolete. We do not want to spend $180 million of the taxpayers' money to help people to learn hobbies and in effect to be fooling around and wasting their time as well as the taxpayers' money. Of what use is it, for instance, to train people in the art of woodworking if the industry involved is a disappearing industry on the national scene?

If the minister would only look at some of the courses that the majority of these students are taking he would at least get a glimpse of what I am attempting to convey to him. The government says it has nothing to do with the type of courses that are being conducted. Should that be the case then I feel it also is wrong in asking for this amount of money. We are quite prepared to vote the money, but we insist it is high time this attitude of playing Santa Claus, so that people may get a new school, should come to an end. It is ridiculous.

To have a school you must have a curriculum that is designed by experienced people who know what they are doing. It should be a curriculum designed to meet the needs of the community. This is not being done. I know it may well be the responsibility of a provincial government but the provincial government only has to pay 25 per cent and, that being the case, who is not going to buy a dollar's worth of building for 25 cents?

Technical schools are now being built in places in Canada where there is no real need for them, yet in other communities where the need exists they are not being built. In addition there are many students in these technical schools who are taking courses that have very little relationship to any possible means of earning a livelihood for themselves.

[Mr. Regier.]

The educators of Canada have not been taken into the confidence of this government. There are many who are pretending to teach in these schools and who have no knowledge of the technique of being a teacher. They have practically no training whatsoever. The government should undertake a massive, crash program of training, and I know that the situation warrants a crash program. In the first place this government owes a responsibility to the taxpayers to engage in a massive teacher training program and to evolve a curriculum that will satisfy the needs of Canadian communities.

I also hope the minister can explain why it is that the province of Ontario is able to absorb two thirds of the money being contributed by all of Canada. How is it that the province of Ontario, upon very short notice, was able to have plans ready for 166 projects to cost a total of $188 million while the province of Quebec had only five projects prepared to cost $10.9 million, and the province of British Columbia also only had five projects prepared, to cost $12 million? Did this plan originate in the political mind of the premier of the province of Ontario and was it then conveyed to the federal authorities, so that by the time the federal authorities made the public announcement that province, which has 85 representatives in this house, mostly government supporters, was able to go full steam ahead? Or is it possible that the province of Ontario was unprepared and that a lot of these projects are being undertaken without any planning? How can a community refuse a $3 million new school towards the cost of which it is not being asked to contribute a penny? It naturally is not going to look a gift horse in the mouth.

In the way this program is being administered the government is not making its proper contribution towards resolving the problem of retraining our people for the new scientific day and age that is rapidly emerging on our scene. The government is being most irresponsible and reckless in its expenditure of the taxpayers' money. I certainly hope the minister can give the country an assurance that his government, which is paying 75 per cent of the cost, is also assuming some responsibility to ensure that the nation's interest is being served in this expenditure.

I have no particular quarrel with the new vocational school in Burnaby. I believe that eventually we shall resolve our problems there and I welcome this institution to Burnaby. We have some experience of technical education and I do not think the situation there is too bad in so far as courses are concerned. However, I do know that many of the courses, including some of those taught

in Burnaby, are a ridiculous and fantastic waste of the taxpayers' money. For instance, one of the courses teaches students how to become exterior painters of buildings. Good heavens, we have thousands of painters unemployed all across the country. What is the use in spending the taxpayers' money in teaching more young men to become painters?

I would challenge all hon. members to obtain for themselves a list of the courses and a description of the courses being offered in the vast majority of these new institutions. I believe they will then realize these courses bear very little resemblance to the technological age we are now entering.

Mr. McGee: The hon. member for Burnaby-Coquitlam has made one of the most irresponsible speeches I have heard in the house since arriving here in 1957. The hon. member used the words "irresponsible and reckless" to describe this program. He said it was "ridiculous" and "a fantastic waste of the taxpayers' money". He slandered all the school boards and provincial departments of education across the land, up, down and sideways. The hon. member's colleagues in the next election are going to eat those words.

Mr. Regier: On a question of privilege, our school boards in British Columbia have nothing whatsoever to do with this program.

Mr. McGee: The hon. member has made the statement that the school boards in his constituency have nothing to do with the erection of schools under this program. I let that statement stand. The hon. members from his own province, who are familiar with the situation, will deal with that particular statement. If it is as relevant as any of the rest of the things he had to say then I do not place much stock in it.

The fact of the matter is that this particular program is one of the most effective efforts put forward by this government in the short term, medium term, and long term answer to the problem of unemployment, which is acknowledged as serious in this country today. I am pleased—perhaps pleased is not a sufficiently strong word—I am delighted that in my constituency total federal grants will approximate $4,741,000 under this grant, and the latest project concerned was made public yesterday being in connection with an extension to an existing high school in the town of Leaside.

The problem which this country is facing so far as unemployment is concerned and so far as the economy is concerned is directly related to this question of technical and vocational training. I am sure the hon. member for Burnaby-Coquitlam is aware of the report of the committee on manpower and unemployment and the statistics that were presented to that committee concerning the percentage of the persons unemployed in our economy who are untrained and unskilled workers. I am sure he is aware that the people anticipating the development of this country in the next few years have emphasized and re-emphasized the vital necessity of retraining unemployed workers to make sure that we do not fall into the same error in the future. This program which the hon. member has suggested is designed to produce people skilled in hobbies, people fooling around, which as I said before he described as "fantastic waste of the taxpayers' money" and that statement is patent nonsense. When I confront the candidate from his particular political party, whatever that may be by the time the next election rolls around, one of the first questions I shall ask him is whether he supports this statement. I am sure that in the constituency and municipality of Scarborough, where the board of education have brought forward plans and have recognized and appreciated the importance of this plan to the extent of requesting grants close to $5 million under the program, his running mate will not appreciate the view expressed by the hon. member in the committee today.

It is all very well and easy for anybody to say that this program has not come along quickly enough. Let us just consider, before I move into that area of discussion, what the effect of this building program will be and how many jobs will be created both on-site and off-site in the construction industry in the skilled and unskilled areas. This is something that surely cannot be overlooked.

It is all very well for those persons commenting about this program to say that this is too little and too late, which is the favourite expression of the hon. member for Essex East when he is talking out of one side of his mouth; and when he talks out of the other side of his mouth a little later on he complains, deplores, moans and groans about the extent of the deficit—

Mr. Martin (Essex East): On a point of privilege, Mr. Chairman, will the honourable, learned and mature gentleman explain what he means when he says that I speak first out of one side of my mouth and then the other. If the hon. gentleman has in mind what I think he has, then I will be very happy to deal with him when I reply in a few moments.

Mr. McGee: The hon. gentleman has an opportunity to speak this afternoon and I am sure he will have an opportunity to reply in the future. When he does, I hope he will address himself to the question. He and his

colleagues on the front benches over there have been complaining about too little and too late, and the size of the deficit. Which is it going to be? It has to be one way or the other.

Mr. Martin (Essex East): That is a fair comment; not an exact one, but it is a fair comment and I understand now what the hon. gentleman was thinking about.

An hon. Member: What is the point of privilege?

Mr. McGee: Mr. Chairman, to go back—

Mr. Pickersgill: He referred to the hon. gentleman personally.

Mr. McGee: To come back to the matter we were discussing—

Mr. Martin (Essex East): They are all very touchy on this question.

Mr. McGee: I gather from the remarks of the hon. member from Essex East that he concedes that he has been talking out of both sides of his mouth at the same time. I would like to discuss this question of vocational and technical training schools. In Scarborough some years ago the authorities embarked upon a program of what I think was the largest institution of its kind. I have reference here to the Cedarbrae high school. At the time, and I believe this was three years ago, there were remarks within the community and within the school board itself about whether this type of project should have been brought forward at that time. To the great credit of the school board they persisted, and finally this school was built. I offer this as an answer to those who say this is too little and too late. The public attitude in that particular area at that time was such that an appreciation of the extent, nature and character of the unemployment problem was not what it is today, and for that reason they were reluctant to proceed with the erection of this Cedarbrae vocational and regular high school.

It is fine for the hon. member to suggest that we should embark upon crash programs for retraining and giving the presently unemployed persons skills and further education. Yet in the township of Scarborough, in connection with which my hon. friend from Essex East, with the calm confidence of a great and inspiring source of statistical information known as the Martin bureau of statistics, announced to the house and the country that there were thousands of unemployed—

Mr. Martin (Essex East): That is right.

Mr. McGee: Yet the board of education in Scarborough, recognizing the low educational qualifications of the majority of the unemployed persons within that municipality, set up a school. Special arrangements for space and teachers were made. I am subject to correction on this because I am speaking purely from memory, but I believe approximately 90 persons indicated a willingness to undertake this training. The program was brought forward, the space provided by the board of education and classes were announced. The classes were begun and—I am again subject to correction on this—out of the 90 persons who had expressed a specific willingness to participate in this program, the first class was greeted by 10 participants. I offer this simply to illustrate that it is not as simple as many of us would like to think it is to embark upon these programs to retrain and increase the educational standards and technical competence of our unemployed workers.

On the other hand to suggest, as the hon. member for Essex East and his cohorts on the front benches over there have suggested, that this is all too little and too late, and to go further into the realm of irresponsibility and call this an irresponsible and reckless waste of the taxpayers' money is, I suggest, a preposterous exaggeration which will be treated for what it is worth by the electorate of this country when the time comes. It is, in effect, an insult to the intelligence of the voters in this land.

Mr. Regier: Mr. Chairman, I wonder whether the hon. member, before he resumes his seat, would care to explain how the curriculum in Toronto in this field of operation is related to the industrial needs of our nation.

Mr. McGee: Would the hon. member repeat that question?

Mr. Regier: How is the curriculum that is being taught in the hon. member's riding related to this question; in what manner is it related to the industrial needs of our nation?

Mr. McGee: I am not certain what the hon. member is leading up to. If he suggests, as I thought he was suggesting in his speech, that the federal government should proceed to impose a curriculum on a particular province, a particular area or a particular constituency, I am afraid he will not find much support for that proposition in my constituency.

Mr. Hellyer: You are groping.

Mr. Regier: Is the program related, in the schools of Toronto, to the industrial needs of our nation?

Mr. McGee: Of course, this is fundamental to the whole program, as I said. Perhaps I

made too broad an assumption when I suggested that the hon. member had been reading the reports of the various committees and groups that have been inquiring into this broad question of employment.

This is fundamental to the program. I think something over 80 per cent of the unemployed persons in this country lack skills and educational qualifications. This is an attempt, a vigorous, aggressive and effective attempt to correct that situation in our economy by providing this series of grants, which have been accepted and enthusiastically endorsed by most of the areas concerned in this country.

Mr. Martin (Essex East): Mr. Chairman, I am sure the committee was very impressed with the last statement of the hon. member for York-Scarborough. He stated as well as anyone has in a long time the purpose behind this particular act. I wish it had been possible for the hon. gentleman to join with those of us in this party who urged this course on the government early in 1958.

If the hon. gentleman will look back in the records of debates in this house during that period he will find that the reaction of hon. gentlemen sitting behind the treasury benches was not so ably stated by the hon. gentleman just a few moments ago.

Mr. McGee: Mr. Chairman, may I interject here? Could I make a comment here, with the hon. gentleman's permission?

Mr. Martin (Essex East): Does the hon. member mind making his comment at the end of my remarks, otherwise I shall find that my time is up. I was interrupted by the minister, and perhaps—

Mr. McGee: I extended this courtesy to the hon. gentleman. Surely he could respond?

Mr. Martin (Essex East): Is it a question?

Mr. McGee: Yes.

Mr. Martin (Essex East): Well, put the question. I am doing this because of the persuasive argument of the hon. member for York-Scarborough.

Mr. Pickersgill: The authority on the rules.

Mr. McGee: I have a private member's bill which is coming up tomorrow, I hope at five o'clock, and the suggestion made to me that I should go back through *Hansard* for the last five years to read the hon. member's speeches is equal to the most vicious form of corporal punishment—

Mr. Martin (Essex East): The hon. member is being facetious now. I was paying him the compliment of being a serious-minded gentleman but he has gone back to the kindergarten.

This is a problem which, as I am sure the committee will realize, is a serious one. We say that in Canada we enjoy, along with the United States, the highest standard of living in the world. If we are to maintain that standard of living we will have to increase the level of enlightenment among our people, and this means through accelerated programs at all levels. All our citizens cannot go to university, although we should aim to expand our university population to a much greater extent than is now apparently possible having regard to the professorial skills available. But it becomes increasingly clear that in this technological age if we are to meet the problem of unemployment we must provide our artisans and manual workers with greatly increased opportunities for development. This will require an expanded program far beyond anything which the government yet contemplates. The Minister of Labour must recognize this. When we take into account, for instance, the number of young people between the ages of 15 and 19 in the last decade and note that there has been an increase in that group of 250,000, we can see how gigantic is this problem at the present time. But if we accept the anticipations of our statisticians, we face the probability that in the next five years there will be an increase of 500,000 young people between the ages of 15 and 19. This, in a country whose population has grown by some 4,000,000 since the end of the war, on top of the problem of unemployment percentagewise which now exists and which, it is calculated, will continue to exist unless our economy becomes much more buoyant, presents us with a challenging task.

What I am seeking to do is to impress on the government a realisation that good as this program is, it is not sufficient. I am not confident that the government is taking steps consistent with the need, as we feel it exists and will arise. We have had no statement from the minister as to what the government's objectives are. We are told, as I indicated a few minutes ago, that on March 31, 1963, the federal contribution of 75 per cent toward the capital cost of technical and vocational training will drop to 50 per cent, at a time when the program will have assumed much wider proportions than now. If the government had a broad objective, it would seem to me it would not impose that shut-off date. In any event, when we are discussing this item we should have from the minister a statement of what the objectives are.

I believe that at the present time there are some 29 schools with 10,000 students in Canada providing technical training, toward which the federal government is making a contribution. What are the plans for 1963?

The government has fixed that year as the shut-off date. It must have something in mind. Does it intend that by 1963 the number of schools will have doubled? I have seen two figures suggested. I have seen it suggested that the number of schools will have increased to 40 by 1963. I have seen elsewhere the suggestion made that the increase would amount to about half that number. What plan has the government in mind? Has it discussed this matter with the provincial governments or is this simply a case of the federal government giving out grants without rhyme or reason?

While I do not agree with everything the hon. member for Burnaby-Coquitlam said, there is a lot of merit in some of the things he had to say.

Mr. Spencer: Oh.

Mr. Martin (Essex East): The hon. member says "Oh". He obviously has not been considering the subject matter carefully or he would not have made that observation. He is usually more perspicacious than that.

Mr. Spencer: What part of the speech did you agree with?

Mr. Martin (Essex East): Ask a specific question and I shall be glad to give a specific answer. I said that some parts of the speech had merit. I do not agree with the main thesis.

But it is plain from the statement made by the minister that at the moment the government does not have any complete or basic plan. Has it had real consultations and discussions with the provinces? This is not a question of the federal government entering into fields denied it under the constitution. It is simply a question of the government taking steps to expend properly money voted by parliament. If the province of Ontario has a plan in mind, that plan must have been communicated to the Minister of Labour. How many more technicians schools does the province of Ontario intend to establish? Does the minister know this? Does the federal government know this? Are we simply faced again with another example of a lack of preparation of the government's program? This may not be the case, but I ask members of the committee to look at the statement made by the Minister of Labour last night and arrive at any other conclusion.

The minister had nothing to say about another aspect of this matter. There should be in this measure not only an imposed monopoly of duty on the two senior levels of government, particularly on the provinces. There is a responsibility on the part of industry. What has been done to promote a measure of co-operation between industry and the departments concerned in the two levels of government, engaged in providing for the training of all the groups concerned in this plan? Some statement should be forthcoming from the government with regard to this. What encouragement is the government giving to industry to associate itself with provincial departments of education, provincial departments of labour and the vocational training division of the federal department of labour? We do know of cases where large industries carry on, and have carried on, programs of training which have been valuable. My two colleagues who come from Essex county will support me in the statement that in the Ford Motor Company plant there has been a training school which has provided many hundreds of young men with valuable technical training for use in that industry in particular. Is this kind of thing continuing? Is any effort being made under this program to provide for the establishment of similar training facilities in other large industrial establishments as well as in schools which come under the jurisdiction of the provincial government? These and many other questions should be discussed by the Minister of Labour in asking us to approve this item, which of course we shall do—

Mr. Starr: Oh.

Mr. Martin (Essex East): —but we would do it with greater appreciation if we had from the minister a penetrating analysis of the problem, some indication that the government recognizes the seriousness of the situation.

I should like to have had from the minister particularly a statement about the situation in the automobile industry. When one thinks of what the chairman of the unemployment insurance commission said three years ago, that only one in ten of the unemployed of our country had a skill that qualified him for an existing job, one appreciates, of course, more readily than would otherwise be the case the seriousness of this problem.

How many automobile workers thrown out of work have the skills to enable them to take other jobs? How many of the coal workers in the maritime provinces—and there is a most serious situation—have been provided with the skills that would enable them to take jobs for which their present skills do not enable them to qualify? Are we not to address ourselves to this problem? Are we going to correct it? Surely the government cannot hope to convince the Canadian people that it has embarked on a vigorous program when we have from the minister no information whatever about these aspects.

I should like to know what the Minister of Labour has to say about a report showing the

technological changes that have taken place in the automobile industry among auto workers engaged in direct production. This report was issued by the Department of Labour some time in the month of November, 1960. That study, carried out under the skilled manpower training research program, indicated that the number of employees engaged in direct production fell by 6 per cent between 1948 and 1958 although production increased by more than 36 per cent and total employment in the industry advanced by 7 per cent. Having in mind the number of men who were disengaged and thrown out of work, in the light of this very declaration of a body that worked under the minister, we are certainly entitled to ask what has been done to meet the problem. We are entitled to more information than that contained in the general terms used by the minister.

We are told in that report that employment of unskilled material handlers declined sharply and that there can be no doubt that these types of jobs are most susceptible to mechanization. That kind of declaration is to be found throughout the report. What is being done about it?

I wish to emphasize one other aspect of this problem. We find there are many workers who have offered to take advantage of the courses open to them through the provincial governments, as a result of the financial assistance now being provided under this act by the federal government. But a significant number of individuals, it has been found, have not the necessary elementary training to enable them to take courses that would give them the skills to carry on in certain lines of work. I suggest to the minister it is possible without violating the constitutional provisions of the British North America Act for the federal government to take cognizance of this fact. Have any provinces asked for financial assistance to enable them to provide the elementary training of reading and writing, let alone other subjects, to enable individuals to become qualified not for particular jobs but for courses of study that would enable them to acquire the necessary skills to accept employment. That is a situation that confronts a large percentage of our unemployed, particularly among new immigrants.

We had an example of that the other day in Toronto where the provincial government, because of the existence of the apprentice act, denied a course of training to two hundred Italians. The minister will remember there were some questions asked about this the other day. While we realize that this comes under the jurisdiction of the provinces, having in mind the contributions being made by the federal government it would be interesting to know what steps the Minister of Labour has taken to discuss this matter with the provincial authorities, not with a view to intervening in a jurisdiction that belongs to the provinces but with a view to ascertaining whether the position of the federal government could be placed before the provinces and with a view to reaching a satisfactory solution.

Within the last two weeks among the individuals who came to me asking for work were two who could have been given particular jobs, but they could not read or write.

An hon. Member: Oh, oh.

Mr. Martin (Essex East): Is the hon. gentleman laughing at that?

Mr. Starr: No.

Mr. Flynn: Certainly not.

Mr. Martin (Essex East): Does the hon. gentleman deny that this situation exists? It would be interesting to know whether a member of the government of Canada is even aware of the problem.

Mr. Flynn: We are laughing at the hon. member's method of arguing.

Mr. Martin (Essex East): I am sorry if I do not have the hon. gentleman's talent.

Mr. Flynn: You have excessive talent.

Mr. Martin (Essex East): I assure the hon. gentleman that while I may lack in talent I do not lack in a desire to see something done about this problem.

The reason why the confidence of Canadians in this government is continually declining is that ministers of the government show an increasing indifference toward this problem. I do not say that the hon. gentleman himself is indifferent to them. After all he did not go to that luncheon the other day where they were trying to establish a factory which undoubtedly would have given employment to a number of people if it had been a bona fide transaction. However, the hon. gentleman has got me off the track.

Mr. Flynn: That is all too easily done.

Mr. Pickersgill: The hon. gentleman was nearly off the track because he almost accepted the invitation.

Mr. Martin (Essex East): My colleague says they almost got the hon. gentleman off the track because he almost accepted the invitation but I will not pursue that.

The Chairman: I urge the hon. member to get back on the track, and the track in this instance is the item now before us.

Mr. Martin (Essex East): I was just discussing by way of happy digression circumstances which if bona fide would have

provided considerable work to many people, and I would have hoped it would have been possible for these people to have the necessary skills to take on the jobs.

I simply say this to the Minister of Labour. I know he wishes this act to have the effect intended. No one denies the value of this act. After all, the act was placed on the statute books by a government other than the present one and—

Mr. Starr: That statement is not true.

Mr. Martin (Essex East): —this government has added to its benefits.

Mr. Starr: The hon. member's earlier statement was not true.

Mr. Martin (Essex East): The minister says that statement is not true. The whole business of technical assistance was begun by a Liberal government.

Mr. Starr: There was no statute.

Mr. Martin (Essex East): I am not talking about a statute.

Mr. Starr: That is what you said.

Mr. Martin (Essex East): I am talking about the provision paid for out of moneys voted by this parliament on the recommendation of a Liberal government. I am not denying that the present government has substantially added to the framework of the concept of this kind of assistance. I am only saying that in the face of the serious problem of unemployment that confronts us, a problem which in its intensity continues to exist, the government ought to take more vigorous steps to give this program the effect which it should have in the future, some five or ten years from now.

We recognize that the immediate effect of what is being done is negligible. It could have had a greater effect earlier if these modifications had been provided. They were urged three years ago. Let us now have from the minister not the kind of statement we had last night but a substantial statement indicating that the government has an objective. How many individuals in the work force it is anticipated will receive training under this program? We are entitled to have this kind of statement from the minister. We are entitled to have from the minister a report on the automation studies which have been made by his department. Are these studies to be pigeon-holed or to be seen only by social research workers, years from now? Let us have an appreciation of what these studies reveal. Let us have some indication from the government of what steps it is taking to promote a co-operative endeavour in this field with industry as well as with the provincial governments.

This is a good measure. I am glad the minister is asking for added money with which to do this job. I hope that we shall have from the minister a report showing how wise the expenditure has been and what the government's program is so that we can judge its present effectiveness and the extent to which we may anticipate flowing from this program consequences that are not yet fully apparent.

Mr. Peters: I believe we all agree that the government acted wisely in preparing this legislation for the acceptance of the provinces. However, I wonder whether the government expected it was going to happen as fast as it actually happened. This legislation seems to me to raise many doubts about the particular method that we use in handling education in general and certainly in handling vocational education, by allowing the provinces to have a complete say in what is going to be done. Two things are being discussed by the members under this current estimate. One subject for discussion is those who are being retrained and who are out of a job or are displaced because of automation or because of curtailment and modernization of a particular industry; and as against that aspect one must consider the major portion of this vote which is going to build new vocational schools which are not going to apply to unemployed people or to adults at all but are going to apply to children.

It is perfectly true that a municipality in any area which has an opportunity to get a vocational school and which has been lacking one for a long time, is very happy to accept it and does not ask very many questions. I think the federal government has a responsibility to allow these people to ask the questions that they obviously have not been able to ask. In the province of Ontario in the recent leadership race for the premiership of the province, the former minister of education was successful. He campaigned to a large extent on the Robarts education plan for Ontario and he was successful in the leadership race. However, at no time did he completely indicate, to his supporters as reported in the convention or to the country in general, what his educational program was going to be. We in Ontario suffered for a long time under the little red school house policy of a previous minister of education. I am sure we welcomed any change in that type of policy. There is not much need to go into the argument about the little red school and the contention that you should not have an auditorium or a basement in the schools, and other things. When the opportunity was offered, I

am sure it was accepted with great glee by those school boards who had been hoping for it for a long time.

My home town was fortunate to be one of the areas that received one of these new vocational schools. I should like to explain just what happened in this particular case, what is happening now and what we are faced with. I think this will explain why we believe the federal government should give some guidance on an over-all picture as this provision is not necessarily going to serve the need to the extent that I am sure this amount of money would if it were handled in another way.

Mr. McGee: Will the hon. member permit a question?

Mr. Peters: Certainly.

Mr. McGee: At this point in his remarks is he about to retreat from the position taken by the official critic in his party, namely that this program is irresponsible, reckless and a waste of the taxpayers' money?

Mr. Peters: May I say that in this party we are all experts and all specialists in whatever field we happen to be speaking about. I should like to indicate, if I have not conveyed them to him, probably the same fears that were expressed in another way by a member from another province. I refer to the problems raised by the hon. member for Burnaby-Coquitlam.

In our particular case the situation is this, and I should like to relate it to something that I understand. We have in our town a new school that will have six shops. I have a young boy, 12 years of age and he is in the entrance class. Recently a teacher-parent meeting was held. The reason for holding that meeting was to inform the parents what was going to happen and how they were going to decide whether children went into this new vocational school or whether they continued in the general high school. It was pointed out to them that there would be three choices with these three courses but the three choices were not available to anyone who was past grade 8. Those in grade 8 were the only ones who were going to be able to decide this matter. Anybody who was already taking a high school course was not going to be able to go into the vocational training provided in the new classrooms attached to the vocational training school. This means that in a particular case three people are asked to make a decision that is going to mean the vocation for the pupil for the rest of his educational years. He is going to be asked first whether he wants to go into the general course, which is I presume the old high school set-up; second, whether he would want to go into business and commercial training which also will be a four year course or whether he wants to go into a vocational training course. When questions were asked that teacher about who was going to give the guidance, it was pointed out that there was no guidance available, that there was not a qualified person available. Although this was a new school costing over a million dollars no guidance was available or would be available to help the teachers and the parents decide which area these pupils would be most qualified to pursue advantageously.

Does this mean that we are going to ask a 12 year old child to decide whether he wants to go into vocational training, take the general course or go into the business world? Is a 12 year old child going to make a decision or are the parents any better qualified to decide the matter? How many parents would like to see their sons become lawyers or doctors? How many of them would like to see them engaged in some field in which they may have more interest than the children have aptitudes. However, there is no guidance to assist in deciding this matter. There is none available in my particular area, although the federal government is donating close to three quarters of a million dollars to build this school. The teachers in this particular school—and I may say it is an advanced junior high school—have the opportunity of working with the pupils in only one class and therefore they may be in a slightly better position in which to judge the qualities and the aptitudes of the individual child than would be the teacher in one of the other schools in the rural area where they have seven or eight classes in the same school. How are these teachers in the rural area going to decide the aptitudes of their pupils and choose for them the vocations which the children will probably pursue for the rest of their lives? It is true that there will be a small amount of assistance through the high school guidance set-up they have at the present time, and they have offered this assistance.

But I suggest to the minister that he has a responsibility in this field to put into effect a program that will help with the training of guidance teachers and vocational and technical teachers in order to staff the new schools that we are now building. For this reason I believe there was irresponsibility in the whole program. In the case of my riding I know that the teacher now attached to the vocational section of the high school is not qualified to teach. In my opinion he has no qualifications at all that would qualify him for the teaching profession. He may have taken a six week summer course, but he was

not particularly good in the field from which he came, which is very remotely allied to any of the courses he is being asked to teach now.

This is an instance where over the years we have had an opportunity to train vocational teachers, but now thousands are required in the province of Ontario and I ask hon. members where they are going to come from. I have been told that most of the vocational training teachers come from the Ryerson Institute in Toronto. This institute graduates about 1,000 technically trained people every year and of this number only eight or nine enter the teaching profession. We are going to need thousands and I wonder where they are going to come from.

Several weeks ago the hon. member for Peterborough was laughed at when he said that by making this large amount of money available to the provinces we may have done what the hon. member for York-Scarborough said. We may have helped to solve the employment problem in certain areas, but I wonder whether that is what the government had in mind when they made this large amount of money available. I believe that there was not enough planning. We know that the field of retraining is a separate field. We are going to have to take people no longer employed in certain industries and train them for some other field. I believe that this program has to be pursued separately and we have to get started on it immediately. It is important that we do so when we see people walking the streets whose needs would be served by retraining.

But that is not what the program we are now considering is doing. It is making provision for the building of vocational and technical schools that will be used to train new pupils, not to retrain those formerly employed in various industries. What are we going to need in the future so far as vocational training is concerned? Is it not true that the day of the sheet metal worker is nearly over? Is it not true that the woodworking industry has more skilled craftsmen for furniture and cabinet work than are needed? Is it not true that with regard to moulding and the allied foundry trades there are more skilled people available than can find jobs in those trades? Is it not true that what we are really looking for are people to operate I.B.M. machines, to operate and service computers, to operate and service the radar equipment now being used in steel mills and other factories, to work in the very complicated field of electronics, more use of which is being made all the time? Is it not in these fields that training is needed today?

If this is so, I would ask whether this type of program is going to produce the desired results. So far as Ontario is concerned, I know the answer is that it is not going to produce them. It cannot do so because we have not got the necessary teachers. Let me use an example from a highly skilled field of endeavour, the installing and servicing of automatic telephone exchanges. In northern Ontario the very progressive company concerned installed completely automatic telephone exchanges a number of years ago and they had to bring people from Great Britain to train some of our own people to do this highly technical work. It would seem to me that if one or two of these people from Great Britain had been put on the staff of a school in Ontario it would have made it possible to train enough people in a very limited time to provide all the technicians needed to instal all the automatic telephone exchanges that will be required.

It would not be wise for every little vocational school across the country to have a course in this type of work because it would have limited application, but would it not be better to have at least some of our vocational schools training people for this type of employment rather than embarking on a program of vocational training that has not started anywhere and is not going to end any place? I say it has not started anywhere simply because in the first place we have not got the teachers to get the plan under way and, second, it is not going anywhere because we have not made a survey of the national needs in the field of education and more particularly with regard to vocational and technical training. We have not taken the time to establish where this program is coming from and where it is going and unless we are willing to do that it seems to me it is a waste of money simply to erect these buildings.

The hon. member for York-Scarborough is quite happy about this plan, but I will make a bet with him that even in the schools in his riding, and I know there are more than in most ridings because he has more constituents than other members—

The Chairman: Order. I am sorry to interrupt the hon. member but it is five o'clock. So that the house may proceed to the consideration of private members' business, pursuant to section 3 of standing order 15 it is my duty to rise, report progress and request leave to sit again later this day or at the next sitting of the house as the case may be.

Item stands.

Progress reported.

Mr. Speaker: It being five o'clock, the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

UNEMPLOYMENT INSURANCE ACT

SUGGESTED AMENDMENT RESPECTING BENEFITS FOR SEASONAL FARM LABOURERS

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale) moved:

That, in the opinion of this house, the government should consider the advisability of amending the Unemployment Insurance Act so that seasonal farm labourers would receive benefits similar to those paid at the present time to seasonal fishermen.

He said: Mr. Speaker, I am very pleased to have the opportunity to present this motion to the house for its consideration. I may say this is not the first time during this parliament that I have proposed similar motions or made suggestions for the implementation of legislation to amend the Unemployment Insurance Act for the purpose of including farm labourers under the act. As a matter of fact, I mentioned this matter in my maiden speech.

Our agricultural industry in the west is becoming highly mechanized and it takes a skilful person to operate some of the implements and machinery on the farms. It is difficult to secure skilful farm labourers and there is a reason for this situation.

First of all, the farm labourer is a seasonal worker and in the fall, when all work is finished, he must seek employment elsewhere. In years gone past when winter employment was readily available the change-over was not so complicated and he did not suffer financial loss as a result of this, but now in many cases he is left unemployed and yet cannot obtain unemployment benefits or payments because he has not contributed to the unemployment insurance fund. Other seasonal workers such as fishermen are contributing to the unemployment insurance fund and are entitled to unemployment assistance. Why then is there this discrimination against the seasonal farm labourer?

I would like to bring the matter to the attention of the house and suggest that early consideration be given to the plight of the seasonal farm labourer. I noted with pleasure the remarks of the Minister of Labour to the effect that studies and research have been conducted by his department concerning the seasonal farm labourer and how to bring him under the terms of the Unemployment Insurance Act. Such a measure would indeed be welcomed.

What was true in the past is true today in regard to farm labour and the need for unemployment insurance for seasonal farm labourers. In all fairness to the Minister of Labour and his department I would like to say that my representations to him on this matter of unemployment insurance for farm labourers have always received sympathetic consideration, and I would like to inform the house that this is not something new which has come about in the last few years.

The problem as to whether it is practicable to bring farm labour under the provisions of the unemployment insurance scheme is nothing new. It came before the Department of Agriculture as early as 1952. At that time an extensive survey was made by the unemployment insurance commission of the employment of farm labour in Canada, and this indicated the existence of a serious difficulty in adapting the unemployment insurance scheme to these workers. Some of these problems were:

1. The scattered nature of the workers and the distance of the location of the employers' establishments from local offices. This would create problems of inspection from the standpoint of collecting contributions and payment of benefit, particularly in determining whether persons were employed or unemployed.

2. The large amount of family employment, much of it unpaid.

3. Many farm operators had only one employee, a factor which would greatly increase the administrative cost of applying the scheme.

4. Determining the real remuneration of the employees, much of which is in kind rather than in cash wages.

5. The highly seasonal nature of most farming in Canada. This would place a heavy burden on the unemployment insurance fund unless some restrictions were placed on the payment of benefit in the off season, so as to limit this to workers who normally had attachment to employment in some form or other throughout most of the year.

All these were the findings of the 1952 unemployment insurance commission. However in 1956 coverage was extended to two kinds of specialized farming, namely, the production of poultry and poultry products, and the breeding and raising of race horses, saddle horses and light harness horses where these undertakings were carried on as specialized farms.

In January, 1959, an interdepartmental committee was established by the unemployment insurance commission to make a further survey of the possible coverage of farm labour. The committee included representatives of the Department of Agriculture, Department of Finance, department of insurance, dominion bureau of statistics and the privy council office, as well as the unemployment insurance commission.

In February, 1960, the interdepartmental committee submitted its report to the commission. It emphasized the fact that the problems were serious and it suggested

certain possible schemes that might be applied and which, to some extent, would meet these problems although they could not wholly overcome them. The report was submitted to the Minister of Labour by the commission and he obtained the views of the Minister of Agriculture. The latter asked if consideration could be given to a voluntary scheme, as it was suggested to him by farm organizations, under which a farm operator could elect whether or not to cover his employees, rather than a scheme of universal compulsory coverage for all farm employees.

Accordingly the interdepartmental committee was requested by the commission to pursue this aspect of the matter. The committee made further surveys during the summer of 1960 but found great difficulty in arriving at even an approximate estimate of the cost of such a scheme, in view of the inadequate data. No conclusion had been reached by the interdepartmental committee when the Gill commission was appointed in July, 1961, to inquire into the whole operation of the unemployment insurance scheme. The Gill commission has not yet reported on the matter but undoubtedly this investigation will cover the question of whether it is practicable to include farm labour.

These in short are the findings of the different commissions which inquired into the problem during the last 10 years. What the findings of the Gill commission will be remain to be seen. However, the position of the seasonal farm labourer remains as before.

The position of a seasonal farm labourer is not much different from that of the seasonal fisherman, and I think there is a principle involved in this whole matter. The farm labourer is the only one in the entire Canadian labour force who is not entitled to unemployment insurance payments and it is my opinion that unless immediate steps are taken to amend the Unemployment Insurance Act the whole western mechanized farm industry will suffer severely.

From personal experience I know that farmers have sustained crop losses due to the shortage of skilled farm labourers. I also know incidents when, in desperation, a farmer had to entrust his expensive farm machinery to men who were not sufficiently familiar with this machinery to operate it efficiently, and this resulted in damage to the machinery.

Representation was also made to me by many farm labourers, who very reluctantly had to leave farms and seek employment in cities and towns where they could make contributions to the unemployment insurance scheme in the places where they were employed, something which they could not do on the farms. Many of these farm labourers would prefer to bring up their families in the country, where living expenses are much cheaper than in the cities.

In conclusion I would like to say this problem of providing unemployment insurance for farm labourers is a very serious one and, although as I mentioned previously the Gill commission report is not in, I would like to see serious consideration given to the motion before the house so that farm labourers may soon become entitled to the same benefits as fishermen who are also seasonally employed labourers.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I have never posed as one of the agricultural experts in our party, which now abounds in agricultural experts, but I am tempted to speak because of the analogy made by the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp). I emphasize the "Tisdale", which is another of the many bonds of a personal nature between the hon. gentleman and myself, and I think I can show that there will be a few more bonds when I have finished my speech. The hon. member is appealing, undoubtedly vainly, to his political friends who are now on the treasury benches to do what will be done by a Liberal government. I have in my hand a little leaflet that I will send to the hon. gentleman. It is called "A square deal for farmers" and it is just fresh off the press. He will find there this sentence:

> Unemployment insurance should be extended to as many farm workers as possible.

Some hon. Members: Oh, oh.

Mr. Pickersgill: This is the official position of the party to which I belong. The hon. gentleman will remember that some years ago when he first came to this house and when he made a very moving speech in this house, which I will never forget, I reminded him that he made a very wise decision to come to Canada in 1929 when there was a Liberal government and we admitted immigrants, because if he had waited until a year later when his present day friends were in office, they would not have let him in. I remind the hon. member today that if he were supporting a government of the party that let him into Canada, he would be getting what he has urged upon the house.

Mr. Clancy: After 22 years.

Mr. Pickersgill: I think the hon. gentleman would have found that 22 years ago there would not have been many people in this country, many farmers or anyone else, who wanted unemployment insurance for farmers or fishermen. The reason, of course, is that it took a long time to overcome the opposition of friends of hon. gentlemen on the other side of

the house to establishing unemployment insurance at all. Mr. Duplessis held it up for years—

Mr. Pallett: The Conservative government brought in the unemployment insurance legislation for Canada and the Liberals took it to the judicial committee of the privy council to frustrate it.

Mr. Pickersgill: The chief whip for the government is getting more and more nervous as the date of the election approaches. We all understand this nervousness that he exhibits in the house these days, and we forgive him for it.

Some hon. Members: Oh, oh.

Mr. Pallett: Don't say the information is inaccurate.

Mr. Speaker: Order. I am afraid there are too many agricultural experts who do not rise in their seats when they wish to speak. The hon. member for Bonavista-Twillingate has the floor. I know he does not object to an occasional interruption; in fact, he sometimes seems to invite them. But one at a time.

Mr. Pickersgill: Thank you very much, Mr. Speaker, for rising to my defence. I need it, and the opposition increasingly needs it in this house as the days go by. I will not pursue that line, but I come back to the point. The intervention of the hon. member for Yorkton (Mr. Clancy) reminds me that unemployment insurance was held up for several years by the hon. gentleman's friends in the province of Quebec, and it was only when Mr. Godbout came into office there that we were able to overcome the constitutional difficulty—

Mr. Clancy: Mr. Speaker, I object to the hon. member's reference to the Quebec government as my friends. I have no interest in Quebec—

Mr. Speaker: Is the hon. member rising on a point of order?

Mr. Clancy: I am. I object to the reference to my friends in Quebec. I have friends in Quebec, but I do not pretend to be—

Mr. Speaker: The hon. member is unduly sensitive, if he considers that a point of order.

Mr. Pickersgill: If the hon. gentleman considers it offensive for me to say that members of the Union Nationale in Quebec are his friends, I hasten to withdraw that remark; or perhaps I could modify it and say "the friends of his friends." I think he could not object to that.

I was saying that when, after long and persistent efforts, the Liberal government was able to convince all the provinces—of which the government of Quebec was the last one, and that was only after Mr. Godbout came into office in 1939—to permit the constitutional change which was necessary to establish unemployment insurance, at that time there was no demand and no desire for unemployment insurance for farm labourers, either on the part of the farmers or on the part of the labourers. It was one of those things that would have been found, I think, almost universally unpopular at that time.

However, many things have changed in this country since 1940 and we do know—as I have no doubt the hon. member emphasized, and I do not need to reiterate it—that today, as a result of the steady extension of unemployment insurance to other groups in the country, particularly its extension to other kinds of seasonal workers, it is becoming increasingly difficult for our farmers, precisely because of this obstacle, to get and keep help. It is also very hard from the labourer's point of view to understand why he should not qualify for unemployment insurance stamps and a bush worker should. I must say that I find it very hard myself to explain that on any logical basis.

It does seem to me that we in this parliament should seek to do those things which will keep the economy in as even a balance as possible, and as far as possible satisfy the legitimate aspirations of those groups in the community which express them. There is no doubt that today the majority, judging from all the evidence I have been able to find, judging from the evidence of the organized farm movements, both the federation of agriculture and the farmers' union, now feel this to be desirable and indeed necessary for the efficient prosecution of the industry.

I recognize, and I have no doubt the hon. member for Humboldt-Melfort-Tisdale also recognizes, that there are real difficulties in connection with the assimilation of seasonal workers generally to unemployment insurance. That matter is receiving the consideration of a commission of very distinguished persons at the present time. It is my conviction, sir,—and I think perhaps this is relevant to the motion because I am one of those people who believe one should talk about how these things are to be paid for at the same time as one talks about them—that in the case of seasonal workers there should be a further change in the unemployment insurance law so that seasonal benefits do not come out of the pool that is contributed to by those workers who are really contributing on an actuarial basis. I believe that some modifications require to be made in that way. I feel it is quite important to say that to indicate

that one is proposing this addition of farm labourers with a sense of responsibility and without any desire to be unfair to those other contributors to unemployment insurance who over the years pay more into the fund than they draw out of it.

I am moved to speak about this because, as hon. members know, when I was a member of the government I had a good deal to do with the legislation which was enacted when my friends and I were in office to extend unemployment insurance to fishermen. That legislation has had a tremendous influence. Not only has it been of tremendous social value but it has been of very great economic value as well, and it would have been of much greater economic value if there had been full employment in this country in the last four years.

The reason why nearly all seasonal workers want to be included within the ambit of unemployment insurance and not under some other scheme is because they want to be able to get stamps for their seasonal work and then, if there is other work, to get other stamps to build up their benefits, instead of living in idleness in the off season. That is why they do not want some separate scheme for fishermen as some people have suggested, and no doubt as some people have suggested for farm labourers. They want to come within the ambit of the general scheme, in order to provide the greatest possible mobility of labour and the greatest cover, and particularly to protect themselves and not become a charge on the fund. It seems to me to be right and proper that if this is done it should be done within the scope of the Unemployment Insurance Act, but I think at the same time there should be modifications in that act to take account of the financial effect it would have on the fund.

I think that is really all I desire to say, except that I might allude in support of the observation I made when the question was asked: why was this not done when we were in office, to the fact that it was only at the very end of the period when my friends and I were on the treasury benches that there was any really strong support for this, and even then opinion was divided.

Mr. Benidickson: The farmers did not want to pay their part at that time.

Mr. Pickersgill: My hon. friend from Kenora-Rainy River (Mr. Benidickson) has suggested one of the reasons which may perhaps have accounted for the fact that there was not the same kind of general feeling about this that exists today. That, I am sure, is why hon. gentlemen opposite have not done it, because it is notorious that hon. gentlemen opposite are very anxious to do things which are universally popular though they are not often so anxious to tackle those problems which have to be tackled by a government, but where action does not always get universal approbation.

I have here a presentation to the Prime Minister and to members of the cabinet by the Canadian Federation of Agriculture dated February 7, 1962. There is a paragraph headed "Unemployment insurance for farm workers" which reads as follows:

> While we appreciate that the unemployment insurance program is now under study by a royal commission, nevertheless we feel we must bring to your attention that the very real need for a selective, if not a voluntary, program of unemployment insurance for farm workers is still unmet —a matter of considerable disappointment to those farmers who find that they are seriously disadvantaged by this situation. If a voluntary program for agriculture cannot be brought in, we would recommend early extension of compulsory coverage to those areas and/or groups of producers who have clearly indicated their desire and willingness to participate in such a program.

The national farmers union made a presentation to the government of Canada on January 31 of this year and they had this to say on the same subject. I am grateful to my hon. friend from Kenora-Rainy River for looking up these references for me.

> We reiterate our request for the early implementation of a program providing unemployment insurance for farm labour. The absence of insurance for farm workers is acting against the interests of farm employers by discouraging many skilled workers from seeking farm employment.

It is for the reasons I have given that I am happy to support the motion which has been moved by the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) who is, of course—I would not deny it for a moment—possessed of a much more intimate knowledge of this problem than I am. But I think, perhaps, he would allow that I have a greater acquaintance with the problem of the fisherman with which he made an analogy. I feel that the farm workers, and the farmers, who would have to pay something for this, are just as entitled to consideration as the fishermen.

Mr. H. W. Herridge (Kootenay West): I rise to express the support of this group for the motion moved by the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp). We are witnessing a rather exciting evolution in party affairs in this house. I would judge from what has happened in recent days that the official opposition has now what might be termed a rotating spokesman for agriculture.

Mr. Hellyer: Does the hon. gentleman not believe in rotation?

Mr. Herridge: The hon. member for Essex East (Mr. Martin) held the position for some years unchallenged. Then we find that the

hon. member for Kenora-Rainy River is now the spokesman for agriculture. Last of all, possibly to the disillusionment of some other members of the party, we find the hon. member for Bonavista-Twillingate taking his turn as spokesman for agriculture on the part of the official opposition.

Mr. Pickersgill: I wonder if the hon. member would permit a question? Does he not think that an embarras de richesses is better than a void?

Mr. Herridge: I am only a humble backwoodsman and I do not understand the language used by the hon. gentleman.

An hon. Member: Neither does he.

Another hon. Member: Some rotate leaders, others their agriculture experts.

Mr. Herridge: I could not help making that observation, because I am always interested in watching the developments on our left and to our front. We support this motion wholeheartedly. It proposes an amendment to the Unemployment Insurance Act which has been urged for years by farmers' organizations across Canada, by the British Columbia fruit growers association, I know, as well as by other groups and by hon. members on all sides of this house, led on most occasions, I am modest enough to say, by the members of this group or their predecessors.

I was interested in the fervour with which the hon. member for Bonavista-Twillingate approached this question. He displayed almost a missionary zeal. However, he was a member of the former government for some years and during that period, regardless of the way he has just played the situation down, there were numerous appeals from farm organizations, from other organizations and from individual members of this house asking the government to amend the act as suggested in this motion. I am very glad that an approaching election has suddenly convinced the hon. member for Bonavista-Twillingate that something must be done about the matter. I can state from some personal experience and from the experience of farmer friends of mine in the district in which I live, the majority of whom officially are known as Conservatives, though they have a common sense approach to life when it comes to election time, that the present act is most unfair.

Naturally, workmen nowadays are looking for protection. They are looking for regular employment, unemployment insurance, workmen's compensation and so on. I know of numerous instances where farmers wanted to hire men for clearing land, ditching, fencing or other similar work, but although there were persons available for work the demand for labour could not be filled because the men wanted to obtain employment in an industry or occupation covered by the Unemployment Insurance Act. They said they were very sorry to decline, and they gave as a reason their wish to seek employment in a situation where they could acquire stamps and the benefits of the Unemployment Insurance Act should they become unemployed.

I recognize the difficulties there are in applying the provisions of the Unemployment Insurance Act and the workmen's compensation acts to farmers generally where certain problems arise which do not occur in industry, where one finds men working together under supervision and where the services of accountants, bookkeepers and so on are available.

Some years ago we were interested in having the provisions of the workmen's compensation act applied to farmers in British Columbia, and the act was applied under certain conditions. Then, difficulties began to arise. I used to bring this to the notice of the provincial government and I discussed it with officials of the workmen's compensation board in British Columbia. I realize there have to be regulations drawn up to meet the farmers' situation. I was told by one of the commissioners—I am referring to workmen's compensation and this is to illustrate the difficulties which arise—that a farmer had made an application to the board in respect of an injury suffered as a result of being struck by a plough handle while turning into the end of a furrow. He received compensation over a considerable period of time because he had a deep wound. Some months later a neighbour spilled the beans and the board discovered that the cause of the accident was not as stated by the farmer in question. He went home one evening intoxicated and fell out of bed while in this condition and cut his posterior on a piece of bedroom china. I mention that to illustrate the difficulties that arise in these circumstances. Because of that the act was amended. Certain regulations were brought in as a result of that and other experiences.

As a fruit farmer and one closely associated with them I realize the difficulties of administration, but they can be overcome. Farm organizations are willing to admit the difficulties and have given them serious consideration throughout the years.

Under the workmen's compensation act of British Columbia the farmers can take advantage of the provisions of the legislation on a voluntary basis. I have taken advantage of the act myself. It was fortunate for one or two persons working for us that we were able to take advantage of the act.

This and the former government repeatedly express sympathy for the proposals put forward by the Canadian Federation of Agriculture, the national farm unions and the British Columbia fruit growers association. In fact a resolution of this type has been passed year after year by the latter organization but without effect. Fruit growers have a certain type of operation which requires quite heavy employment on a seasonal basis.

I remember the minister of agriculture in the former government who no doubt made a great contribution to agriculture in Canada talking about making a study and saying the government was sympathetic and would give the question serious consideration and so on, and members of this government have said the same thing.

We know that the Gill committee is studying amendments to the Unemployment Insurance Act. I trust that the resolution introduced by the hon. member for Melfort-Tisdale-whatnot—I forget the rest of it—will cause the government to focus more attention on the problem. At present a certain injustice is suffered by the farmer.

Farming practice has changed during the years. Some aspects are similar to industrial operations. In other cases there is large seasonal employment on farms for harvesting purposes, particularly on the fruit and vegetable farms. This situation has remained unremedied throughout the years while other groups of seasonal workers have been able to obtain the insurance benefits of the act.

In view of the importance of agriculture generally and in view of the fact that I am sure everyone interested in the welfare of Canada is concerned about doing all that can be done fairly and properly to assist the Canadian farmer, the government should amend the act to provide for the coverage that has been requested. This is a disability particularly for farmers who are operating successfully and have large crops to harvest at certain times. In the opinion of this group the time is long overdue. The government should now remedy the injustice by accepting the amendments to the act proposed in this resolution, also suggested over the years in this house by hon. members representing all parties.

Mr. E. Nasserden (Rosthern): Mr. Speaker, I wish first of all to congratulate the hon. member for Humboldt-Melfort-Tisdale for his diligence in bringing forward this resolution at this time. It is a question that is receiving a lot of attention in the farming communities across Canada today and no doubt it will receive increasingly more attention in the future.

The resolution is in the following language:

That, in the opinion of this house, the government should consider the advisability of amending the Unemployment Insurance Act so that seasonal farm labourers would receive benefits similar to those paid at the present time to seasonal fishermen.

One of the reasons for the heightened interest in insurance in farm circles today is the changing conditions that are taking place on farms across Canada. Farm people presently are finding ito necessary to utilize larger machinery that costs considerable sums of money. It is necessary to have more highly qualified persons to operate this equipment. Many of the people who would normally be available to operate the machinery are engaged in other jobs and would be willing to accept part time employment of this type if in doing so their benefit period were increased. Unemployment insurance stamps however are not available for farm labour and so it is difficult for farmers to secure this type of labour.

I think that unemployment insurance will be a necessity before we can build up in Canada the type of labour that will be useful to farmers year after year. The revolution that is manifesting itself in the agricultural industry today has almost run its course. During the next several years we will experience to an increasing extent a necessity to build up a farm labour pool to take care of those specialized operations that are required to be performed on farms from time to time.

If Canadian fishermen are entitled to unemployment insurance surely farm labour is entitled to it when you consider that agriculture is the basic industry of Canada. Farm labour today requires not only a great deal of skill but judgment as well. You cannot put an unskilled man in charge of a tractor costing $8,000 or $10,000 with the heavy machinery sitting behind it. It requires a person of judgment who can devote close attention to the job he is doing.

I was interested in the remarks of the hon. member for Bonavista-Twillingate in which he quoted from that volume of fiction which recently revealed that the Liberals have found the answer to a lot of things now that they are in the opposition. Many things have changed since 1940, the hon. gentleman said, and included in the changes is the change of government. The hon. gentleman said unemployment insurance should be extended to as many farm people as possible. I imagine there has been a Liberal policy for the last 22 years: To as many people as possible.

I was pleased to hear the hon. gentleman admit that the Gill committee was worth while, that it did a necessary job, and that

it would assist in contributing to the solution of the problem we are now discussing.

I do not intend to take up the time of the house any longer. I commend this problem to the attention of the government. I know that it has received a great deal of attention during the last two or three years.

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I should also like to join in congratulating the hon. member for Humboldt-Melfort-Tisdale for introducing in the house this afternoon this motion with respect to bringing farm labour under the Unemployment Insurance Act. As was mentioned by my colleague who just took his seat and also, I think, by the hon. member for Kootenay West, it is interesting to see our friends in the Liberal party taking such a deep and rotating interest—as it was characterized—in the problems of farmers.

After listening to the quotations of the hon. member for Bonavista-Twillingate with reference to this new agricultural pamphlet that he so smilingly observed has been brought to the attention of the public just lately, it appears to me that it is more or less like a death-bed repentance that our Liberal friends have come to the front now in taking such a serious look or what they assert to be a serious look at the agriculture problem. I sincerely hope they will continue to do that. It is not going to be too long until they occur, and I think it is with nervousness and apprehension that they are looking forward to facing the democratic functions that will take place in Canada. I am sure that in the prairie west many people are going to consider not so much what they have done as what they have not done as far as agriculture is concerned when they come to mark their ballots.

This problem of unemployment insurance with respect to farm labour is a deep rooted one. It has stemmed in one instance particularly from the fact that we have unemployment insurance in Canada today, as has been pointed out by the hon. member for Rosthern. As we find automation increasing in agriculture, we find the need for skilled labour to manipulate and handle these machines. As a result of this situation we wish to see to it that we have qualified people to put on this type of equipment. When we go into the labour market in western Canada now to ascertain whether labour is available to handle this equipment, we find that those people who are capable of doing so are fast disappearing from the scene owing to the fact that they have not been able to qualify for unemployment insurance. They have found themselves taking an interest in other walks of life. As a result we find the farm labour market being depleted in that respect. If we are going to maintain this basic industry of agriculture as we see it in Canada and keep abreast of the agrarian change that is taking place, we are going to be obliged to provide an adequate force of farm labour to assist presently established farmers in this great industry. I think it is high time that we saw to it that we included farm labour under the Unemployment Insurance Act.

I know that the hon. member for Humboldt-Melfort-Tisdale in his very able presentation this afternoon gave some of the reasons why it has been a difficult problem. I think one of the basic problems lies within the farm population itself, who are desiring this implementation. About a year ago or possibly a year and a half ago I made it my business as a representative of a farm riding to make a survey of that particular area in order to get the opinion prevailing on this subject. I did this by writing to the reeves and councillors of the 25 municipalities lying within the boundaries of the federal constituency of Moose Mountain and asking them for their observations on this matter. I was rather amazed at the variety of opinions expressed. If this variety of opinions that were expressed by the farmers themselves is an indication of what the thinking is, it will create a certain amount of a problem in the minds of the Gill royal commission in coming up with a definite answer. In a great many cases I found that farmers with male members in the family, with sons coming along, were indifferent to bringing unemployment insurance into the farm labour picture. They felt that they had their own help developing and as a result they were not interested. On the contrary, somebody else who possibly had only daughters in the family, was very much interested in being able to go out into the farm labour market and procure assistance and therefore was very much interested in having this measure brought about. Others expressed the view that it should be done on a compulsory basis. Then again others expressed the view that it should be voluntary.

I could not find unanimity of opinion in this matter. As a result, I felt that a certain problem was being created for the officials that were considering this matter in order to come up with an answer. All in all, in summing it up, I felt that the time had come when legislation should be enacted in order to solve this problem. As has been pointed out, agriculture is one of the basic industries and it will remain one of our basic industries as time goes on. People are still considering agriculture as a way of life and a very important one. Some want to be on the private enterprise end of it and to be the owner and operator of a farm, whereas others wish to engage in farming operations by assisting as labourers in the farm scheme of things. If this

class of people does not wish to take the responsibility of being independent or private enterprise operators of farms but still wishes to continue in that way of life, I feel that there should be some basic security presented by proper legislation to see to it that in times of seasonal unemployment they will be protected. I feel sure that the Gill royal commission will come up with the answer to this problem. I should like to conclude my remarks by saying that personally—and I think I am speaking on behalf of my constituents of Moose Mountain—I feel that they are definitely in favour of the motion brought in by the hon. member for Humboldt-Melfort-Tisdale.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I welcome this opportunity to say a few words on this particular motion which was introduced by my colleague and neighbour the hon. member for Humboldt-Melfort-Tisdale. I was rather amused when the hon. member for Kootenay West referred to the way in which rotation was taking place in the Liberal party in the matter of agricultural spokesmen. It rather reminded me of the description of a hula dancer: put a crop here and put a crop there and then you rotate the crops. Perhaps this is typical of the Liberal party. They have been used to passing the buck and perhaps they do not wish to take the responsibility for being spokesmen. However, other members have expressed reasons why this type of legislation should be introduced and why the government should make a careful study of it.

It has been mentioned that competent help has been hard to get. Often times we have been obliged to resort to very young labourers, some of them just fresh out of school, who have not been able to establish themselves. Many of these young people have a farm background. They know the farm way of life and would far rather have it than perhaps any other. However, because of insecurity in that type of employment they often drift off the farms into other employment which would provide them with some security in the event they were laid off. I know that in my own particular case I myself have been obliged to employ many of these people. Sometimes you get an experienced hand. You often find that where a man has been laid off because of some farmer having quit farming and no longer requiring him, he has to make a shift but in making that shift very often finds himself in a position in which he is obliged to resort to using the money he has been able to save over the years, if he is lucky enough to have any. However, this creates a particular problem.

I know that on many occasions, especially during the rush season, in the spring and fall, for example, many young girls have been employed in the fields driving tractors, combines, trucks and so on. Many women and older labourers have taken to the fields at times like this. I think this situation could be corrected if legislation like this could possibly be enacted.

It was mentioned by the hon. member for Rosthern that many farmers have been obliged to purchase expensive machinery as a result of the fact that they could not get help. For one thing they would then require less help. Another point is that the type of machinery they have purchased is very expensive. I can give many examples of what happened in my own case—but that is unnecessary—where you turn over expensive machinery to young, inexperienced help. Another problem that perhaps could be corrected if this type of legislation were enacted is this. The fact is that many farmers have had to pay higher wages as a result of many people no longer wishing to stay with or work on farms because of the insecurity in that field.

I should like to raise another point which I believe was mentioned by the hon. member for Kootenay West. Contractors working on the clearing of farmland find that when they hire a machine operator to clear the bush or to do brushing in preparation for cultivation, that man is not insurable. However, if the same contractor is doing work for the municipality, he is insurable. He may have two machines operating side by side, one on the farmer's property and the other on the road allowance. The man operating the machine on the road allowance is insurable and the man working on the farm is not although they are operating identical machines. They are doing the same type of work and are working just as hard but one man is insurable and the other man is not. This problem would be corrected by the introduction of such legislation.

There are cases one could cite. For instance, men who work on irrigation projects are insurable but others, as I said, are not. This is a problem that needs a little study in order to correct some of these inequities.

Having said that, I think I should point out some of the difficulties that exist in implementing legislation of this type. There are very few countries that have similar legislation in existence so we cannot make a study of their plans in order to incorporate them into ours. I think Great Britain was the first country to set up such a plan away back in 1911. However, even after having had such a plan in operation for some 35 years I understand

that in one year there were some 30,000 inquiries as to how it could be made operative and applicable in certain cases. Although they have had 35 years experience they still have not been able to solve the problem.

I might also say that because of the scattered nature of farming one would run into difficulty. In many cases it would be difficult to ascertain whether or not a man was actually employed. I am merely pointing out these things to illustrate some of the difficulties that would be encountered if such legislation were introduced. Only if some of these problems can be ironed out will we be able to arrive at proper legislation.

Another point has to do with whether the employee is a member of the family. It is often difficult to determine what rate of pay a man receives if he is a member of the family. What kind of stamp would you provide for him? There are cases where room and board are provided and others where board alone is provided and the man provides his own room. There are other cases where the man receives only his wages with no room or board provided.

These are some of the things that have to be considered before a suitable arrangement can be worked out. I simply wish to mention these things and to point out that the matter is now under study. I hope that before long the Gill commission will be able to make some suitable recommendations.

Mr. Frank McGee (York-Scarborough): Mr. Speaker, I had hoped to have considerably more time than I apparently will have in order to develop my speech on the resolution brought forward by the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp). I must say at once that when the hon. member introduces a private member's bill or resolution in the house one must pay very strict attention indeed because his record of success with regard to the proposals he has placed before parliament is practically unique. It is a great credit to him and to the government which has encouraged the active participation of the private members who support the government, unlike the days not too long ago when the trained seals flapped their flippers and kept solemnly quiet. A lot of people thought that things would be interesting after these trained seals were unleashed, but lo and behold, we find that not many of them have had anything to say in the interval.

I want to deal very quickly with the resolute, positive, forward looking alternative that the Liberal party is supplying according to this document referred to by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) where I find these words:

> The Liberal party has, for today's problems, the answers that are progressive, realistic and responsible.

One might have expected upon examining this document to find a clear, concise and aggressive statement of a practical, alternative policy. But what do we find? Nothing on this particular question. Let hon. members listen carefully to these words:

> Unemployment insurance should be extended to as many farm workers as possible.

Not "unemployment insurance will be extended". Oh, no; "should be extended". To how many or to what group of people? As many as possible.

Mr. Pickersgill: What more would you have than that?

Mr. McGee: Is this the same use of the word "possible" that occurred in 1919 when a certain late right hon. gentleman promised hospital insurance? Was that not supposed to come about as soon as possible? Are farm labourers going to have to wait for the same number of years between promise and fulfilment as the people of Canada generally had to wait with respect to hospital insurance? I see it is six o'clock, Mr. Speaker.

Mr. Speaker: I am sorry to interrupt the hon. member but it is six o'clock.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, I do not suppose you would allow me to congratulate the hon. member on his notable speech. I will instead do what you will allow me to do and ask the house leader if he can now give us a preview of the business that the government will bring before us for the rest of the week.

Mr. Churchill: There is a great deal of business I should like to bring before the house but we are still struggling with the supplementary estimates. I hope that notable progress will be made on the supplementary estimates tomorrow.

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

HOUSE OF COMMONS

Thursday, March 15, 1962

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DEPUTY PRIME MINISTER OF AUSTRALIA

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, it is my privilege today to call the attention of the house to the presence in the Speaker's gallery of Right Hon. John McEwen, deputy prime minister of the commonwealth of Australia. Mr. McEwen has been a most distinguished leader not only in his own country but throughout the commonwealth of nations, and in 1958 he headed the Australian delegation to the trade and economic conference in Montreal. He comes to us following a stay in Washington. He is discussing with members of the government matters of international interest, including in particular the implications of the common market, as the entry of the United Kingdom may affect not only our two nations but commonwealth trade relations as a whole. To him, and through him, I extend warmest good wishes.

We recall so well an address which was given in the days of war by the prime minister of Australia, Right Hon. Robert Menzies. It will always be remembered by those who were privileged to hear it. Speaking in this chamber with great eloquence, he filled us with determination and moved us to a realization of those values which were then at stake.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to join with the Prime Minister in welcoming to our country Right Hon. Mr. McEwen, the deputy prime minister of Australia. Our relationship with this commonwealth country has been not only cordial but very close at the United Nations and all international meetings. I am sure that those of us who sit on this side of the house will not only be happy to welcome the deputy prime minister here but will also desire to wish him well in the deliberations that I am sure he will be entering upon with the government.

(Translation):

With the consent of the house, Mr. Speaker, I should like to add only this. Since the talks to be held will also have reference to the common market and, consequently, to the export trade which is of particular concern to all of us, we hope that they will be successful.

On behalf of members of the opposition, I extend our best wishes to the deputy prime minister of Australia.

(Text):

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, members of this group join with the Prime Minister and the hon. member for Laurier in extending a welcome to the deputy prime minister of Australia. We in this group have a high appreciation of the value of the commonwealth and the role it can play in international affairs. On that account we are particularly anxious on all occasions to extend a most hearty welcome to any representatives of the people from our fellow commonwealth countries.

I was interested to hear the reference made by the Prime Minister to the study of the question of the common market. I am sure this is a matter of mutual and serious concern to Canada and Australia. I trust that after the discussions which will take place in the next few days we will reach a common approach to this question as fellow members of the commonwealth who are concerned with developments in this respect.

TAPE RECORDING OF HOUSE PROCEEDINGS

Mr. Speaker: If the house will give me leave I shall be glad to make a brief statement about experiments in reporting our proceedings by mechanical means, pursuant to the authority given by the house last April. My reason for suggesting what might be called a progress report is to remove doubts which may have been left in the minds of hon. members yesterday when the matter was raised, but not proceeded with, as a question of privilege. Is it agreed that I may make a brief statement?

Some hon. Members: Agreed.

Mr. Speaker: If hon. members will refer to page 3963 of *Hansard* of April 25, 1961 or the *Journals* of that year at page 471, they will see the following:

> Mr. Speaker: By leave of the house—and I should first inform the house that I have already consulted the party leaders—I should like to ask for the approval of the house to carry out some experiments in reporting the proceedings of the house by using tape recording machines in conjunction with our sound amplification system. The purpose is to determine whether mechanical recording can usefully be used in combination with

shorthand reporting, as is being done in some other jurisdictions, and to develop this information for the guidance of the committee on procedure and of the house itself. As I have said, nothing is contemplated other than experimental recordings. Is it agreed?

Some hon. Members: Agreed.

Before the July adjournment some experiments with dictaphone machines were made in the English and French debates offices with the co-operation of the editors and certain members of the staff. These experiments were not reported last session to the committee on procedure because they were not considered conclusive and the committee itself had its hands full with other business.

To continue the experiments the assistance of the management analysis division of the civil service commission was requested. This request was initiated by the Clerk on October 5, 1961, and the terms of reference were as follows:

To survey the organization, methods and procedures of the English debates reporting branch with a view to making recommendations for their improvement.

Mr. A. M. Ervin was assigned to the work. He has undertaken a fairly broad study of reporting methods elsewhere as well as in our own house.

The recordings which are now going on began on Thursday, March 1 and continued to March 9. The second stage will begin on March 15 and will run until March 23 and conclude at that point. The method is to take ten minute sample recordings at intervals of approximately one hour during the daily sessions.

In all these experiments the belts or discs on which the proceedings are recorded have been closely guarded and put to no outside, ulterior or improper use. The belts and tapes from the first experiment have been destroyed, and those from Mr. Ervin's experiments will be turned over to the Speaker with his report. There has been nothing secret about the experiments other than to maintain the privacy of the records.

I think perhaps hon. members would like me to add that what we are doing should not be taken in any way as a reflection on our excellent reporting and editorial staff, but rather as an attempt at finding possible means of assisting them in their difficult duties.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, if I were in order I think I should like to say that we are grateful for this statement you have made. There might well have been some misunderstanding about the matter. After having looked at the statement which Your Honour was good enough to let some of us have, we should like to say that we think the statement which Your Honour has just made is of significant importance, as it affects the privileges and responsibilities of all of the members. We are wondering whether Your Honour would not look with favour on a meeting being called of the house leader and the other party leaders to consider this statement. Not only might it affect the rights and responsibilities of all of us but, from the mechanical aspect of this analysis, it might well gradually and eventually affect the rights of the *Hansard* reporters and those who have been carrying on so well, as Your Honour has just said.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, this matter was raised by the hon. member for Vancouver East who, with his long experience, values the traditions and rights of parliament. This group appreciates your explanation this afternoon and urges that consideration be given to the suggestion made by the hon. member for Laurier.

Hon. Gordon Churchill (Minister of Veterans Affairs): I think the proper place for it to be discussed would be when the committee under your chairmanship meets, Mr. Speaker. I refer to the committee on rules and procedures.

BANK OF CANADA

REFERENCE OF REPORT OF GOVERNOR TO STANDING COMMITTEE

On the order: Government notices of motion:

March 13—The Minister of Finance—That the annual report of the governor of the Bank of Canada, together with the statement of accounts, for the year ended the 31st of December, 1961, laid on the table on the 12th day of March, 1962, be referred to the standing committee on banking and commerce.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

LABOUR CONDITIONS

REQUEST FOR TABLING OF REPORT ON LABOUR FORCE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Minister of Labour. In view of the fact that the joint release of his department and the dominion bureau of statistics concerning the labour force in Canada is, as a rule, issued before the middle of the month, may I inquire whether the minister will be receiving those figures today and whether he will be in a position to table them so that we might have cognizance of them today?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, if we look back over the years at the dates upon which the dominion bureau of statistics has issued a release on employment and unemployment, I think it will be found that there is a variation month by month and year by year, and that there is not any specified date. I think there is a difference of as much as eight or nine days in the dates of the issuance of this release. I do not know ahead of time when they are going to release it. I do not get the report any sooner than the hon. member, or any sooner than the report is available to him. The dominion bureau of statistics prepares this report along with the economics branch of the labour department, and we await it from month to month. I think the statement that ordinarily it does come out at the middle of the month is incorrect.

Mr. Chevrier: On that point, Mr. Speaker, may I say that I have here the releases for the last three months, and they are all before the 15th with the exception of one.

Mr. Speaker: Order. I do not think the hon. member would be within his right in debating the question of the time of release, other than to ask a supplementary question if any arises. It has been indicated by the minister that the matter is not really one under his control.

EXTERNAL AFFAIRS

PUNISHMENT FOR SMUGGLING BY MEMBERS OF ARMED FORCES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Prime Minister. I trust he realizes that these questions are advanced in a spirit of co-operation to assist him to unveil this mystery and deal effectively with future situations.

In view of the report in the *Globe and Mail* of March 15 that soldiers caught smuggling in Indo-China late in 1961 were dealt with on the spot by their commanding officers, and apparently quite lightly; and since under the National Defence Act the maximum punishment that can be imposed by a commanding officer is three months' detention, could the Prime Minister inform the house why so lenient a view was taken of these deplorable crimes, and could he assure the house that all future proven cases of smuggling by members of the armed forces will be dealt with by courtmartial?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I think this question should more properly have been addressed to me as Minister of National Defence. First of all I should like to say that I think the hon. member has a rather peculiar view of the administration of justice, in that the whole tenor of his question was along the line that any person suspected or accused of a particular crime is more or less automatically guilty and must be dealt with accordingly. When a man in the army is suspected of a particular crime—and the same thing applies in civil life—the first thing that has to be done is to secure sufficient evidence to establish a prima facie case. On the basis of what the investigation discloses the man's commanding officer determines whether he should be dealt with summarily or whether he should be tried by courtmartial. It is not the function of the government to state that a particular case shall be dealt with by courtmartial. Is is for the law officers in the J.A.G.'s branch, the commanding officer and the commander of the command that the man happens to be in to determine the particular procedure to be followed. I can assure the hon. member and other hon. members that all due regard is being paid to the proper course that should be followed in the administration of justice in the army.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to ask a supplementary question arising out of that statement. Is it not a fact that the Minister of National Defence took exactly the same position as the hon. member has taken when the minister in his former capacity as minister of agriculture dealt in the same manner with one Mitchell, an employee of his department in Montreal? Does the minister not recall that?

Mr. Harkness: No.

Mr. Speaker: Order. I take it the hon. member for Laurier is referring to some matter of the past by way of argument rather than asking for information. As it has gone that far, perhaps the minister might want to comment.

Mr. Chevrier: He took exactly the same position he is complaining about.

Mr. Harkness: With regard to the particular case to which the hon. member refers, he is talking about one of his political henchmen who was caught contravening the rules and regulations of the department, abusing his position—

Mr. Martin (Essex East): And never tried notwithstanding the bill of rights.

Mr. Harkness: —as a member of the staff of the Department of Agriculture.

Mr. Martin (Essex East): Guilty by association.

Mr. Harkness: —and was dismissed as a result of those actions.

Mr. Chevrier: Mr. Speaker, the statement which has been made by the minister—

Some hon. Members: Order.

Mr. Chevrier: I rise on a point of order. The statement made by the minister is not only inaccurate but also wholly untrue. It is untrue, sir.

Mr. Speaker: Order. I think the hon. member is perhaps the author of the difficulty by introducing a challenging, debating statement with respect to the former answer by way of a supplementary. Opinions have been expressed both ways. This is not an occasion upon which any conclusions can be taken by asking and answering questions. I suggest to the hon. member that it is not a point of order to rise and say that an answer given is not true.

Mr. Chevrier: I rise on a question of privilege, then, because the question I put to the minister was a factual one and he proceeded to make a political statement.

Mr. Harkness: It was not a factual one.

Mr. Chevrier: I wish to say now not only that the minister's statement is untrue but it is inaccurate because, first of all, this man was not a political organizer—

Some hon. Members: Oh, oh.

Mr. Speaker: I suppose if the hon. member wishes to challenge the statement made to the house by the minister as a matter of privilege he may do so, and I will give the minister an opportunity to answer.

Mr. Chevrier: I simply wish to say this. The person whose name has been mentioned was never a political organizer of mine.

Some hon. Members: Oh, oh.

Mr. Chevrier: He was never charged, as he should have been, but he was found guilty by the minister without being given the opportunity of a trial.

Mr. Benidickson: No bill of rights.

Mr. Harkness: I do not think any purpose would be served by my engaging in the same sort of childish activity as the hon. member for Laurier did in saying that statements are untrue. There is no question but that the statement he made is a highly biased one. He must have felt very badly about losing the services of this particular gentleman from his political organization.

Mr. Speaker: Order.

Mr. Chevrier: He has a better job today, sir.

[Mr. Martin (Essex East).]

HOUSING

SARNIA—DISCUSSIONS RESPECTING FEDERAL-PROVINCIAL PURCHASE OF PROPERTIES

On the orders of the day:

Hon. D. J. Walker (Minister of Public Works): I should like to reply to a question asked by the hon. member for Trinity last Friday. This is an answer not about angry waters but about blue waters. The hon. member for Trinity raised a question regarding the Blue Water redevelopment area at Sarnia, and then asked a supplementary question which I took as notice.

In answer to this question I would say that the city proposes to make the cleared land available for industrial use. While I am not aware of any agreement or understanding with the city of Sarnia that part of the land be made available to Polymer Corporation, it is quite possible that the city officials have held discussions with potential developers, including the Polymer Corporation.

BUSINESS OF THE HOUSE

REQUEST FOR ASSURANCE OF FULL SIX-DAY BUDGET DEBATE

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Finance, if in view of the fact that the budget will be brought in before Easter, so we are informed although not officially, he can assure the house we will be allowed the full six days of debate under our procedures before dissolution of parliament or before the Easter recess begins?

Hon. Donald M. Fleming (Minister of Finance): The hon. member began his question with an assertion. Anyone who can dream up an assertion of that kind I feel does not need any information from me on that question.

Mr. Martin (Essex East): I take it I am right, and we will have the budget before Easter?

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM—REQUEST FOR TRAINING OF TROOPS IN KOOTENAY DISTRICT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of National Defence, and I might say that in presenting this question I am speaking for all parties in my constituency. In view of the report in today's *Globe and Mail* that Mr. Robert Bonner, attorney general of British Columbia, has expressed his disappointment at the refusal of the Minister of National Defence

to send troops to the Kootenays unless the provincial government formally calls out the troops in aid of the civil power under the National Defence Act, would the minister inform the house whether he could, in the spirit of co-operation, review the training plans of the regular army troops of western command to determine if useful exercises, schemes and training could be carried out in the delightful Kootenay country during the next few months?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, having spent a few summer holidays in the Kootenay country I can vouch for the fact that it is quite delightful at that time of year. This is not that time of year and, generally speaking, to send troops in there would seriously interfere with their regular training and would impair their general efficiency.

However, the main point is this. There is no question whatever, in view of what the attorney general of British Columbia said and the reported statements in the *Globe and Mail* of this morning, I think it was, and other newspapers as to what various people living in that area have said—mayors of towns, and so on—that the real reason troops are wanted in the Kootenays is in aid of civil power. If troops are wanted and needed in the Kootenays in aid of civil power, then they should be secured in the regular manner as laid down by law.

PUBLIC SERVICE

AVAILABILITY OF CONFIDENTIAL INFORMATION TO PRIVATE INVESTIGATORS

On the orders of the day:

Mr. M. W. Martin (Timmins): Mr. Speaker, I should like to direct a question to the Secretary of State. I regret that I did not have time to send him notice, but this matter was drawn to my attention by a telephone call just before the house opened.

An hon. Member: Oh, another telephone call.

Mr. Martin (Timmins): My question has to do with a rather disturbing report in yesterday's *Journal* which states that a tracing bureau operates seven days a week and 24 hours a day, and employs contacts in most of the country's major police departments, the Department of Veterans Affairs, the unemployment insurance commission, the Department of National Health and Welfare and several other government and private agencies.

My question is, would the minister launch an immediate investigation to ensure that confidential information gathered by some of these departments is not handed out to private investigators or anyone else?

(Translation):

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I shall take the hon. member's question as notice and try to provide him with a reply as early as tomorrow morning.

(Text):

OLD AGE SECURITY

INQUIRY AS TO PROVINCIAL PARTICIPATION IN INCREASED PAYMENTS

On the orders of the day:

Mr. W. C. Henderson (Cariboo): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Can he advise the house whether British Columbia residents are yet receiving the benefits of last month's increases in the amounts his department is prepared to pay under the federal-provincial welfare programs?

Hon. J. W. Monteith (Minister of National Health and Welfare): No, Mr. Speaker, I have had no word from the hon. member's home province as to whether they are going to participate in this $10 increase.

Mr. Maurice Johnson (Chambly-Rouville): A supplementary question, Mr. Speaker. Could the Minister of National Health and Welfare inform the house whether there is any progress with—

Mr. Brassard (Lapointe): "In connection with".

Mr. Johnson: —in connection with—the hon. member is very good in English—the negotiations with the province of Quebec in this matter.

Mr. Monteith (Perth): No, Mr. Speaker, Quebec has not given any indication as to its intention.

Some hon. Members: Shame.

Mr. Jack McIntosh (Swift Current-Maple Creek): I should like to direct the same question to the minister in connection with the province of Saskatchewan. Has the minister heard from the province of Saskatchewan?

Mr. Monteith (Perth): No, Mr. Speaker. Saskatchewan makes the third and remaining province which has not given any indication.

Some hon. Members: Oh, oh.

Hon. Paul Martin (Essex East): May I ask the Minister of National Health and Welfare whether he has received any word from the government of Nova Scotia?

Mr. Monteith (Perth): I have indicated that Saskatchewan was the last of the three provinces, the other two being British Columbia and Quebec, which had not given any indication as to their intentions. I might add that all provinces which have signed agreements, except Newfoundland, have had their agreements dated back to February 1; and the agreement with Newfoundland, which I signed this morning commences April 1.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I might ask the minister a supplementary question as to whether he thinks the promotion of questions of this sort is calculated to promote harmony with the provinces.

Some hon. Members: Order.

INDUSTRY

SULPHUR CONVERTING CORPORATION, MONTREAL—INVITATION TO PRIME MINISTER TO LUNCHEON

On the orders of the day:

Mr. Maurice Bourget (Levis): Mr. Speaker, I should like to direct a question to the Prime Minister. Did the Prime Minister receive an invitation to attend the luncheon last Saturday to launch a steel complex in Lauzon, which is in my constituency? If so, did he reply and what was the nature of his reply?

An hon. Member: It is none of your business.

Mr. Chevrier: Closure.

Mr. Speaker: Order. The hon. member has not satisfied me that the question is a proper one. It seems to relate to the social engagements of an hon. member, which are not normally discussed on the orders of the day.

Mr. Bourget: I am asking that question of the Prime Minister and I think I deserve an answer—

Some hon. Members: No.

Mr. Bourget: —because after what has been said in the newspapers, and because I am the member representing that constituency, I think I am entitled—

Some hon. Members: Order.

Some hon. Members: Sit down.

Mr. Bourget: —to ask the Prime Minister, and it is in the public interest to know.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Martin (Essex East): On a point of order—

[Mr. Martin (Essex East).]

Some hon. Members: Sit down.

Mr. Speaker: Before I hear the hon. member for Essex East on the point of order may I remind hon. members that questions asked before the orders of the day, like written questions, must relate to public matters. Rule 39 says:

> Questions may be placed on the order paper seeking information from ministers of the crown relating to public affairs; and from other members, relating to any bill, motion, or other public matter connected with the business of the house—

Mr. Chevrier: Mr. Speaker, on this point may I bring to your attention the fact that this does relate to a public affair and to a public matter, since it concerns the construction of wharves and other matters of a federal nature within the area which my hon. friend represents in this house.

Mr. Speaker: If the hon. member has a question related to the construction of public wharves, well and good; but the hon. member's question as I heard him put it was as to whether the Prime Minister had been invited to a luncheon party and whether he had accepted or refused. I cannot allow a question of that kind.

Mr. Bourget: If I may be permitted to add one word, the question I am asking the Prime Minister is put to him in his public capacity as Prime Minister of this country.

Some hon. Members: Oh, oh.

Mr. Bourget: I am the member concerned because this complex was supposed to be developed in my own constituency, and I am sure I am in order in asking the Prime Minister—

Some hon. Members: Sit down.

Mr. Bourget: —if he received an invitation.

Mr. Speaker: If the hon. member is repeating his original question, I must say I cannot agree with him; I cannot accept his view. It would be intolerable to have hon. members of the house asking each other about their private engagements on the orders of the day.

Some hon. Members: Hear, hear.

Mr. Speaker: That, basically, is what it is. If there is another matter of public administration involved, surely the hon. member can ask a direct question about the matter of public administration.

Mr. Martin (Essex East): On the point of order, Mr. Speaker, the allegation has been made in the newspapers that public money was going to be spent on this particular project.

Some hon. Members: No.

Mr. Martin (Essex East): Yes. That may or may not be the case, but that has been the public allegation, and surely an hon. member is within his rights to put to the head of the government of Canada a question asking whether or not this government proposed to spend any money on that project.

Mr. Speaker: I quite agree with the hon. member, but no such question has been asked.

Some hon. Members: Oh, oh.

Mr. Bourget: May I then ask the Prime Minister whether any commitment has been made regarding the construction of wharves in my constituency in connection with that steel complex?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the answer is in the negative completely and absolutely in so far as the government is concerned. May I also add that the kind of exhibition going on here today is time consuming.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: It indicates the attitude of the opposition in endeavouring to waste time.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): I rise on a question of privilege.

Some hon. Members: Oh, oh.

Mr. Hees: Sit down, Sir Wilfrid.

Mr. Martin (Essex East): The Prime Minister in this house is no different than any other hon. member—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —and he has no right to rise and make statements of that kind.

An hon. Member: Yes, he has.

Mr. Martin (Essex East): If our questions are not in accord with the procedures of this house, it is up to Mr. Speaker to say so. The Prime Minister ought to attend to the job of being prime minister. He will have enough to do if he does that.

Mr. Diefenbaker: Mr. Speaker, I thought you ruled certain irrelevant questions, certain impertinent questions, out of order, yet they persisted in the opposition. I am simply pointing out that the business of the house is being held up from day to day by this kind of attitude.

Some hon. Members: Order.

Mr. Speaker: The hon. member for Essex East suggested that a matter of privilege arises from the Prime Minister's reply. The Prime Minister, after answering the question, adverted to the discussion about the question and the point of order which I myself had taken, which point had been discussed by a good many people. As for the suggestion that hon. members are exercising for improper motives their right to ask questions, I do agree that that is not a proper suggestion to be made. Hon. members must be credited with discharging their duties properly.

Some hon. Members: Hear, hear.

[*Later:*]

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to direct a question to the Secretary of State. I wonder if he could inform this house whether he was acting in his capacity as a member of the government when he accorded an interview to the president of Sulphur Converting Corporation as reported in the *Gazette* of March 15. Could the minister tell us exactly what transpired?

(Translation):

Hon. Noel Dorion (Secretary of State): Mr. Speaker, when visitors wish to see me in my office, especially when accompanied by high officials of the provincial administration, I see no reason why I should not let them come in, and this in no way involves the minister's responsibility, and still less that of the cabinet.

[*Later:*]

Mr. Augustin Brassard (Lapointe): Mr. Speaker, I should like to direct a question to the Secretary of State. Is the high provincial official he mentioned in his answer the former deputy minister of the provincial department of industry and commerce, under the previous administration? Also, is he that same person of whom the parliamentary correspondent of *Le Devoir*, here, in Ottawa, spoke with much verbosity in one of this week's issues of that paper?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I do not know to what extent I have to answer this question. However, in order to satisfy the curiosity of the hon. member—who, in any case, ought to know something about that company which originated in his region—

Mr. Brassard (Lapointe): I beg your pardon. It was in the Roberval constituency.

Mr. Dorion: —and through the efforts of his own friends—the gentleman referred to is Mr. Coderre, who remained in the Quebec government service, in the department of the Hon. Mr. Rousseau.

An hon. Member: He is a friend of the Union Nationale.

Mr. Guy Rouleau (Dollard): Mr. Speaker, is the Secretary of State not aware of the

fact that Mr. Louis Coderre is no longer deputy minister of the provincial department of industry and commerce and that he is still a friend of the Union Nationale?

(Text):

Mr. Speaker: Does the hon. member's question relate to industry and commerce in the province or in the federal government?

COMMUNICATIONS

INQUIRY AS TO SECOND NATIONAL MICROWAVE SYSTEM

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to direct a completely innocent question to the Minister of Transport. In view of the statement of Mr. H. G. Young, chairman of the trans-Canada telephone system, that the announced Canadian National-Canadian Pacific national microwave system will be a duplicate facility, with no apparent requirement either for the public use or for defence, could the minister tell us if he was consulted by either the C.N.R. or Canadian Pacific before the project reached its present stage?

Hon. Leon Balcer (Minister of Transport): What the hon. member is asking for involves the contents of a communication between the minister and a crown corporation, and it has always been my understanding that such communications are privileged and should not be placed before the house.

Mr. Fisher: A supplementary question, then. Was the minister aware that the C.N.R. was entering into this $36 million program before it was announced?

Mr. Balcer: The budget of the C.N.R. and of Trans-Canada Air Lines will be before the committee of this house which deals with these matters. The hon. member, who is usually a very vocal member of that committee, will have every opportunity there to put all the questions he wishes.

Mr. Fisher: Just answer the question.

Hon. Paul Hellyer (Trinity): A supplementary question. Has the government approved the capital expenditure of the C.N.R. in relation to its share of the cost of the system?

Mr. Balcer: An announcement was made jointly by the C.N.R. and Canadian Pacific with regard to this telecommunications corporation. It has been published in the papers. As far as the expenditures of the C.N.R. are concerned, they form part of the budget of the C.N.R. and after they have been approved this budget is then placed before a committee of this house. That is the procedure.

Mr. Fisher: May I ask the Minister of National Defence a question. Was he consulted by the Canadian National Railways and the Canadian Pacific Railway in connection with this microwave expansion program, inasmuch as it might be of assistance in defence communications?

Hon. D. S. Harkness (Minister of National Defence): I do not recall having been consulted, but I should have to check in order to find whether that is the case or not.

Mr. Hellyer: Does the minister consider the building of a new microwave system essential to national defence?

Mr. Harkness: I think it will certainly improve the capacity to carry on and maintain communications in the event of this country being under attack.

VOCATIONAL TRAINING

REQUEST FOR TABLING OF INFORMATION RESPECTING SCHOOL CONSTRUCTION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Before the orders of the day are called I wonder if I might ask the Minister of Labour—if I might have the minister's attention—if I could ask the minister—the minister seems to be very much engaged.

Mr. Starr: Mr. Speaker, I can hear the hon. member; I do not have to look at him.

Mr. Benidickson: Still in a bad temper after the labour congress visit yesterday.

Mr. Pickersgill: I thank the minister for his customary courtesy. I would now ask him whether in fact he tabled the list of technical schools which my hon. friend from Laurier asked him for on Tuesday night, because there seems to be no entry in yesterday's *Votes and Proceedings* indicating that that document was tabled. If it was not tabled, could the minister table it now so that another procedural question need not arise in committee?

Hon. Michael Starr (Minister of Labour): I endeavoured to table that yesterday, but the hon. member for Bonavista-Twillingate thwarted that attempt. If the hon. member for Laurier still wishes me to table it I shall be glad to do so. I was prepared to do it yesterday.

Mr. Martin (Essex East): You said you would table it.

Mr. Chevrier: I understood from the minister yesterday that he would take that course, and I would appreciate it if he would do so now.

Mr. Starr: Yes. I will table it with the permission of the house.

Mr. Speaker: Does the house give permission for this document to be tabled?

Some hon. Members: Agreed.

SUPPLY

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

DEPARTMENT OF LABOUR

Technical and vocational training assistance—

636. To carry out the purposes of the Technical and Vocational Training Assistance Act and agreements made thereunder—payments to the provinces—further amount required, $28,400,000.

The Chairman: The hon. member for Timiskaming.

Mr. Fleming (Eglinton): I wonder whether the hon. member, before he begins, would permit me to make certain observations concerning the supplementary estimates, which have now been before the committee of supply for some days. The further supplementary estimates No. 3, which are those we are now concerned with, were introduced some time ago and have already engaged the attention of the committee of supply on, I believe, six days, today being the seventh. There are altogether 61 items before us, only 22 of which have been discussed and passed thus far.

My colleague the Minister of Veterans Affairs, leading the house, drew to the attention of the house on two occasions the serious consequences that were certain to result from delay in dealing with these important supplementary estimates. On March 8, as reported at page 1635 of *Hansard*, my colleague said:

> I had hoped that we would finish the supplementary estimates this week because we are spending more than the normal time on supplementaries, and there will still be final supplementaries coming before us during this month. But uncertain as to whether or not we will complete the supplementaries tomorrow, I cannot forecast the business for Monday and Tuesday.
>
> If we do not finish the supplementaries we might have to continue with them on Monday, because certain works will come to an end and people will be without pay unless we are able to get these supplementaries approved.

Again on March 12, as reported at page 1731 of *Hansard*, my colleague drew to the attention of the house the serious consequences of delay. He said on that occasion:

> —as I pointed out to the house last week, certain projects will have to be discontinued for lack of money to carry them on and certain people will go without their pay because the money has not been voted by parliament.

My colleague then asked that the house proceed on the following day as expeditiously as possible with its consideration of these estimates.

I have no wish to curtail or to suggest on the part of any hon. member the curtailment of any proper observation that he feels it is his duty to make with respect to any of these items, or any observations which he wishes to put before the committee which may affect his own decision or the decision of other hon. members in voting on any particular item, but I would be lacking in the performance of my duty if, in view of the long time which has already been devoted to only 22 of these items, I did not reinforce what was said by my colleague the leader of the house and bring to the attention of the committee the fact that we have reached the 15th day of March.

Mr. Hellyer: The Ides of March.

Mr. Fleming (Eglinton): This is normally the day when cheques are payable with respect to a number of the liabilities of the government. I must inform the committee that by reason of the fact that these supplementary estimates have not yet been disposed of, notwithstanding the warnings given to the house by my colleague some days ago, it will not be possible now to pay on their due date certain accounts of suppliers in various departments, and certain employees cannot receive their mid-March pay until supply is released.

In another case it has been necessary to stop payment on all non-pay list items in order to protect the mid-March monthly pay and allowances of the army. I would not be bringing this very serious matter to the attention of the committee as I do now if so many days had not already passed and if the matter had not already on two occasions been brought to the attention of the house by my colleague the leader of the house.

I repeat that I am not suggesting and under no circumstances will suggest curtailment on the part of any hon. member of anything he feels it is his duty to say, but there is such a thing as reasonable self-discipline in the house, there is such a thing as avoiding repetition—

An hon. Member: The minister should set an example.

Mr. Fleming (Eglinton): —and there is such a thing as adhering closely to the essential matters that are represented by each of these items. I therefore bring these serious facts to the attention of the committee in the hope that hon. members may find that they will have had reasonable opportunity to make their proper observations and it may be possible to have the supply passed and released for this necessary purpose.

Mr. Chevrier: Mr. Chairman, I doubt very much whether the remarks made by the Minister of Finance were in order. However, having allowed him to make the long statement he has just made I presume I should be entitled to reply and say to the minister that I am not too much impressed by the statement he makes, to the effect that he has no wish to curtail debate on the part of those who sit on this side of the house. The house leader on two occasions and the Minister of Finance on this third occasion have brought this matter to our attention. The only inference I can draw from the minister's statement is that he does wish in effect to curtail debate.

I have before me a list of the two supplementary groups of estimates tabled by the minister. The first is further supplementary estimates No. 2 tabled on January 24, 1962 and the second is further supplementary estimates No. 3, tabled on February 8, 1962. I understand from the house leader that there will be further supplementary estimates which are not yet before the house.

There is a limit to what the Minister of Finance can tell us, and there is a limit to the subjects upon which he can lecture us. If it is a fact, as we have some reason to believe, that parliament in the not too distant future is going to be dissolved, then surely before all the estimates are here we have a right to inquire to the full into the supplementary estimates.

As I said when Mr. Speaker was in the chair the day before yesterday, we may not be given the opportunity of discussing the main estimates at all. Since the Prime Minister, who is perfectly within his rights in doing so, chooses not only to keep unto himself his advice but also chooses not to make an announcement concerning these matters, surely we too, not knowing what the position is and not knowing whether the main estimates will be brought up for discussion or when further supplementary estimates No. 4 will be presented for discussion, have a perfect right to inquire into the matters that are before the committee.

Thus far we have spent six days discussing further supplementary estimates No. 3. That is not an abnormal length of time having regard to the circumstances under which this parliament sits—

Mr. Pickersgill: And the size of the estimates.

Mr. Chevrier: And, as my friend the hon. member for Bonavista-Twillingate points out, this is not an abnormal length of time in view of the size of the estimates. Surely if we determine that on certain items we will spend more time than on others, that is our responsibility. Surely that is a decision we must take in the light of the items that are before us and in discharging our responsibilities to the country and our respective constituencies. If the Minister of Finance will give us the assurance that the main estimates will come before us for discussion before dissolution, it may well substantially alter the position taken by the opposition. We await with interest the statement the minister will make in regard to this matter.

I think that is only a fair and reasonable request, I feel we should be entitled to know whether or not all these estimates which we shall be asked to pass upon will be before us prior to dissolution of the house.

Mr. Fleming (Eglinton): I think it is quite obvious that the hon. member is talking about something entirely different. What I am addressing my observations to is supplementary estimates No. 3 for the fiscal year ending March 31, 1962. The hon. member is talking about the main estimates for the next fiscal year, which we have not yet reached. Surely his remarks have no bearing either upon this question or what is reasonable in relation to the consideration of the supplementary estimates for 1961-62. I simply renew the plea I made to all hon. members in relation to this matter, as I have some concern over people who are going to go without pay and over contractors who are not going to be paid.

Mr. Chevrier: Will the minister advise the house whether there is a list of further supplementary estimates No. 4 which will be brought before the house?

Mr. Fleming (Eglinton): As my colleague the leader of the house said on March 8, as found at page 1635 of *Hansard*, there will be as usual the final supplementary estimates for this present fiscal year 1961-62. I shall be happy indeed to bring them forward just as soon as we can dispose of these supplementary estimates No. 3.

Mr. Chevrier: The minister has not replied to the question I put to him. I asked whether or not, with regard to these additional further supplementary estimates and the main estimates, he will give us the assurance that these estimates will come before us prior to dissolution.

Mr. Fleming (Eglinton): The hon. member says "these estimates". If he is speaking about the supplementary estimates for the present fiscal year, I can assure him that I shall be pleased to bring them forward just as soon as the house will have disposed of the supplementary estimates No. 3. I cannot go beyond that.

Mr. Martin (Essex East): We are discussing the main estimates.

The Chairman: I just want to remind the committee at this time that the hon. member for Timiskaming has the floor. The Minister of Finance asked for permission to make a general observation with regard to the discussion of these estimates. He has made that observation. The hon. member for Laurier has replied on behalf of the official opposition. I think the questions should be dealt with as the items are studied. I therefore recognize the hon. member for Timiskaming.

Mr. Chevrier: I rise on a question of privilege. This is a matter which affects all hon. members of the House of Commons.

Mr. Martin (Essex East): Including the Prime Minister, who should stay in the chamber.

Mr. Chevrier: I am sure we shall not object to the hon. member for Timiskaming having the floor after this matter has been disposed of. I think the Minister of Finance owes the house a duty and a responsibility to tell us whether or not we shall have an opportunity to discuss other estimates, anything beyond the estimates which he has tabled, prior to dissolution. That is something that is going to put an entirely different light on the whole discussion that is now going on with regard to supplementary estimates No. 3.

Mr. Churchill: May I just point out that the main estimates about which the hon. member is talking in referring to the estimates for the next fiscal year are already before the house in six departments, namely citizenship and immigration, justice, national health and welfare, northern affairs and national resources, public works, trade and commerce. Public works has been before the house on the main estimates for two days, so we are already into the main estimates.

Mr. Martin (Essex East): That is not the question at all.

Mr. Chevrier: My hon. friend from Essex East is quite right. That is not the question. I think the opposition is entitled to get from the government, either from the house leader or from the Minister of Finance, an assurance that before there is dissolution we shall have an opportunity of discussing the main estimates.

Mr. Pickersgill: All of them.

Mr. Chevrier: Yes, all of them; and an opportunity of discussing the other estimates that are before us now.

The Chairman: I recognize the hon. member for Timiskaming.

Mr. Peters: This has been a very interesting discussion, but in my opinion it has not been very fruitful. On behalf of this party I should like to add only one suggestion, namely that I hope it is not a prelude to the government using governor general's warrants.

Mr. Martin (Essex East): I rise on a question of privilege.

An hon. Member: Sit down.

Mr. Martin (Essex East): Before the hon. member continues, will he allow me to observe that the Minister of Finance who raised this matter has now left the chamber while this matter is still under discussion.

Mr. Churchill: A disgraceful statement.

An hon. Member: He is back.

Mr. Martin (Essex East): They have brought him back.

Mr. Fleming (Eglinton): The hon. member for Essex East has just made a statement—

Mr. Martin (Essex East): I raised a question of privilege.

Mr. Fleming (Eglinton): —which he put forward obviously with a view to drawing attention to the fact that I had departed from the chamber when the hon. member for Timiskaming began to speak on the next item. I had expected to leave the chamber. I am leaving for a very good reason, namely to attend a very important meeting with the deputy prime minister of Australia, for which meeting I am now 10 minutes late. That is the reason I left the chamber. It was not that there was anything uninteresting about the remarks of the hon. member for Timiskaming, and it certainly was not for the reasons assigned by the hon. member for Essex East.

Mr. Pickersgill: I rise on a question of privilege, Mr. Chairman.

Mr. Martin (Essex East): Contempt of parliament by the Minister of Finance.

Some hon. Members: Oh, oh.

The Chairman: I must remind the committee that the hon. member for Timiskaming has the floor, and that I had recognized him.

Mr. Pickersgill: You apparently did not hear me, Mr. Chairman, because of the noise opposite. I was raising a point of order, and it is this. Your Honour tolerated a lecture by the Minister of Finance to this committee. In the course of that lecture he made reflections about the conduct of other hon. members of the committee, and raised certain

points. He even threatened us with responsibility for the failure to pay public servants, and so on.

An hon. Member: Where is the point of order?

Mr. Pickersgill: Surely, Mr. Chairman, I will be permitted to explain my point of order.

An hon. Member: Take 20 minutes.

Another hon. Member: What is the point of order?

Mr. Martin (Essex East): Mr. Chairman, may I ask you to keep order?

Some hon. Members: Oh, oh.

Mr. Pickersgill: When in the committee it was agreed that something be raised that is irrelevant, it has been the custom that the debate should not be choked off as long as hon. members wished to debate the matter. The hon. member for Kenora-Rainy River rose in order to put to the Minister of Finance a very pertinent question, but he was not recognized. This debate initiated by the Minister of Finance has been terminated while hon. members still wished to discuss points which he raised. I suggest that this is a denial of the rights of the opposition that is intolerable.

Some hon. Members: Oh, oh.

Mr. Pickersgill: We are surely entitled to know which estimates were made so badly last year that the minister is now running out of money, and to have disclosed the real amount of mismanagement that made it necessary for a threat to be made on the orders of the day.

The Chairman: Order. The Minister of Finance asked permission to make a general remark, which he made, and it was made by the leave of the committee. That remark was made and an adequate reply was given by the opposition. We are not here studying the rules of procedure of the House of Commons. The business before the committee is vote No. 636. I would ask all hon. members to co-operate with the Chair so that we may get down to the business that is now before the committee, namely vote No. 636. On that particular business, which is the only business the Chair can deal with at all, I have recognized the hon. member for Timiskaming.

Mr. Peters: Mr. Chairman, as a P.S. to this whole debate I would advise our civil servants to get down to the banks and cash their cheques just in case. Yesterday we were talking about the fact that in Ontario we seem to have gone into the construction of these vocational schools without arriving at firm plans as to how we are going to get the children into them, what the purpose of the training will be, and also what the end result will be with respect to the students going through these schools.

I was pointing out to the hon. member for York-Scarborough in particular—when he speaks again in this debate I should like to know whether he does not believe this is true—that it is my information that in his area it is the expectation that during the next four or five years many of the classrooms being built under this program will be high school classrooms because there will not be the vocational teachers or vocational students to put into those particular classrooms.

Mr. Pugh: Have you no faith in Canada?

Mr. Peters: Certainly we have faith in Canada, but we have very little faith that le bon Dieu or somebody else is going to decide this matter. We should do a little planning. We should make some preparations. In Ontario the minister of education who is going to be responsible for this program is also the premier. A person who listened to the debate yesterday from the gallery asked me last night if I had heard about Robart's program of robots in the classrooms. Maybe we are going to use robots for teaching purposes. Maybe this is the way it should be done, but I do not think this kind of program can be undertaken without a plan. We know that we have not the facilities in Ontario to train teachers; we have not the facilities to train guidance councillors, yet the vocational training program in Ontario is more than double what it formerly was.

Mr. McGee: Does the hon. member want an answer to his question right now?

Mr. Peters: I have a few more questions. It may also be that in Ontario we are going to make use of other systems of teaching. It might be wise if we gave consideration to the matter of teaching by television. It may be that the federal government will pioneer in this field and be of a great deal of assistance, particularly in those areas where the national government has a responsibility with regard to education, the vocational training field. It may be that the national government should decide now on the standards of training and the type of training that should be given in each of these vocational schools. Perhaps the government should set standards in order to give guidance to those provinces that have not had as much experience in this type of training as other provinces.

Before the program can really be called a vocational and technical training program I think there must also be established a set of qualifications for teachers on a national basis;

because I am sure, as other Ontario members are, that in the vocational schools this year there are going to be many teachers with a very limited amount of training in the particular fields concerned. As I pointed out yesterday, this is a fact now in many of the small high schools that have vocational training programs. The people they are getting are receiving quite high salaries although they have very limited qualifications for training other people in these fields. This is true of most of the areas of which I am aware.

An hon. Member: What about the hon. member for Peterborough?

Mr. Peters: I am sure the hon. member will understand the difference between academic training and technical training. Some other members may not. They may not know it is very difficult to transform the one into the other and get the best results. I am sure the minister will be the first to accept my statement that the plan has grown out of all proportion, and that it was certainly not expected that it would be so widely accepted; but because it has been widely accepted additional assistance will have to be provided to make the plan successful.

The third field into which I think the federal government should go immediately has to do with the establishment of standards for career and guidance teachers and other counsellors. Some members can laugh about this if they want to, but it is going to be of vital importance. The parents of children entering technical, vocational or business schools today are vitally concerned about whether they have chosen the right occupation for their children. I can only speak for the province of Ontario where I think the situation has been made more difficult because the whole system is now being broken into three sections and students who now do not have to choose a career until they have graduated from high school are going to have to make a decision at a much earlier age.

Mr. Pallett: Would the hon. member permit a question? Has he not read the proposed program in detail?

Mr. Starr: Or the act?

Mr. Peters: I do not quite understand the hon. member.

Mr. Pallett: Has he not read either the act under which these estimates are required or the program that has been announced by the minister of education for Ontario? If he has, then his last statement cannot possibly stand up.

Mr. Peters: The parliamentary secretary should know that we are not discussing a bill but rather a supplementary estimate. He should also know that the province of Ontario has not finally determined its program. If they have, it has not been made known to northern Ontario. A parent-teacher meeting was held in one of the new vocational schools about a week ago and nobody was prepared to give any of the answers or I would not be raising the problem. I believe these things have not been settled. If the hon. member has knowledge that I do not have, then I would appreciate knowing where the teachers are going to come from.

Mr. Cathers: That is not our concern.

Mr. Peters: That is the whole point. You say it is not your concern, but it has got to be your concern. There is no point in buying a car and having no gasoline for it.

Mr. Cathers: You are out of order.

Mr. Peters: There we have this government all over again. We say that you do not really care, but you have to care or the plan will be unsuccessful, and you will be dealing with the lives of a whole generation of children in the process. Vocational training is vitally needed. It has been needed for 50 years. Maybe it was needed then more than now. I am not in a position to say because I am not in the counselling field. I do know that we just have not got the people available to staff these schools, and I say that the government should take the lead in assisting the provincial governments in this regard. There are people much better qualified than I who will be speaking on this matter, and you can question them.

The point is that we need further assistance. The minister is certainly to be congratulated for having initiated this plan. The fact is that it has met with greater acceptance than he expected would be the case. It is also important that we give leadership in the provision of qualified personnel to staff these schools. Maybe we will be able to use television for teaching. Maybe we could supply robot assistance. Maybe there are other forms of teaching we could supply that would fulfil the need. I think it is true that this year we are not going to have enough teachers for all the classrooms and shops in the schools that are being completed. I only ask that more consideration be given, not that there be any curtailment of the plan. We now know there are very great weaknesses in the field of education.

I believe that in the field of vocational and technical training the federal government has a responsibility. We want to see standards established for employment purposes from

coast to coast. We want to see standards established for teaching proficiency from coast to coast. We want to see every assistance given, every modernization made, wherever it is possible. These things should be provided by the government to those provinces who want to take advantage of them.

Mr. McGee: In view of the questions of the hon. member for Timiskaming which were directed to me, I should like to reply. I should like also to express some disappointment that he did not offer me the bet which he started to offer me when he was cut off the other evening.

Mr. Martin (Essex East): Who is taking up the time now? Listen to what the Minister of Finance said to me.

Mr. McGee: The hon. member for Essex East is lecturing the committee.

Mr. Martin (Essex East): I am not objecting, but just listen to what the Minister of Finance said. That is what I am pointing out.

Mr. McGee: As I was saying, before we were treated to another spontaneous lecture by the hon. member for Essex East—

Mr. Martin (Essex East): Never mind the insults.

An hon. Member: Still out of order; still speaking from your seat.

Mr. Martin (Essex East): Why don't you try to speak from your head?

Mr. McGee: The hon. member for Timiskaming suggested there would not be a sufficient number of students in the township of Scarborough to fill the classrooms that are now being built under this program. I just want to say that I have more faith in the potential birth rate of York-Scarborough than he has.

Mr. Peters: I did not say there would not be enough students. I said that there would not be enough in the technical courses. There will be enough students.

Mr. McGee: I am replying to precisely that point. There has been a substantial and continuing increase, a natural rate of increase in my constituency, possibly the highest rate of increase in Canada.

Mr. Hellyer: Does the hon. member have any control over that?

Mr. Peters: Quit bragging.

Mr. McGee: There is an increase in the number of young people with young families moving into this constituency. There have been over 100,000 move into the area since the 1957 election. I suggest to the hon. member that he is insulting the intelligence and smearing the integrity of the officials of the department of education who were responsible for making these recommendations. The criticism by the hon. member for Timiskaming amounts to this. He is saying, in effect, that this government is moving too fast, moving too aggressively, and that is an interesting contrast to the statements made by members of both his party and particular sections of the frontbenchers who usually speak from their seats. They say that we have done too little and are too late in our efforts to combat this continuing, long term problem in this country.

Mr. Benidickson: When we opened the discussion of supplementary estimates No. 3 this afternoon I endeavoured to take the first opportunity to reply to the observations that had been advanced by the Minister of Finance. We are now dealing with a very substantial item in respect of vocational training. The Chair recognized the Minister of Finance, who intervened to suggest that there were people in Canada who were going to be deprived of salaries, under this item and other items in the supplementary estimates, because parliament was not dealing expeditiously with these proposed expenditures. It was not possible for me to be recognized, although I attempted to obtain the recognition of the Chair while the Minister of Finance was in his seat. I feel that if I had been able to obtain recognition the hon. member for Timiskaming would have recogized that I was speaking to the point that was then under discussion, and he would have allowed me to continue.

I want to say that the responsibility in these matters is with the government and is always with the government. These supplementary estimates No. 3 were introduced on February 8, 1962 by the Minister of Finance. However, not until February 23 was this committee asked to deal with them. Then again, there was an adjournment of the debate on these matters. This is all within the leadership of the government. We were not again asked to deal with these matters until March 2 or 3, I believe.

In addition to that, and what I really rose to try to get information about, is the fact that the main estimates presented a year ago always contain what I call a kitty, something available to the Minister of Finance to prevent any failure in the payment of pressing obligations, particularly payments for personal services in the way of salaries. The main estimates for 1961-62 contain an item called "Contingencies and miscellaneous." Our government financial housekeepers should have

been looking ahead rather than coming now and moaning that perhaps somebody is not going to get a pay cheque.

This is the third group of supplementary estimates for the current fiscal year. Further supplementary estimates No. 2 were introduced on January 24. Was there anything in them to replenish the so-called kitty to which I referred, and which is given to the Minister of Finance every year in his main estimates? Was there anything advanced by him after parliament assembled, in the further supplementary estimates No. 2, for the replenishing of another kitty, item No. 125, to supplement other votes subject to the approval of treasury board, for the payment of salaries, wages and other pay list expenses? There was not. There is nothing of that nature advanced in supplementary estimates No. 3.

I want to say that had there been, this would have been taken care of, because items for the Minister of Finance were given priority. I remind the committee that the supplementary estimates for the Minister of Finance were passed at the first opportunity for debate, on February 23. There was no item to replenish these votes. I should like, therefore, to ask the parliamentary secretary to tell me to what extent his opportunity to take care of the situation by means of these items has been completely lost. I refer to the votes that we passed, items 121 and 125 in the main estimates. I say it is completely erroneous to tell those who are looking to the government for payment for personal services, or for materials, that the opposition is to blame if they are not paid.

I repeat that the supplementary estimates were presented on February 8. The leader of the house did not introduce them for debate until February 23. We were given then only one day of debate and the next opportunity for debate, I think, was March 12. I say that no blame can accrue to the opposition in this respect.

I do want the Minister of Finance to indicate, without any derogation of our rights as an opposition—after all, there is a lot of money involved here—which of the items we have not yet passed involve payment for personal services which the minister is not already empowered to deal with under the general "kitty" items to which I have referred.

Mr. Pitman: Mr. Chairman, it is with no apology that I take up the time of this committee to deal with this problem, because I do not think there is any piece of legislation, and certainly no estimate, which will have more effect and significance in the years ahead than the one we are dealing with this afternoon.

Hon. members know that this program comes under Bill No. C-49, which was introduced in the fall of last year. We all had great hopes for this program and we all supported the bill with a considerable amount of enthusiasm, although not without some serious misgivings. I am afraid those misgivings have proven to be justified.

If I may trace the history of this matter for a moment, this was a crash program, but it was a crash program in an area where crash programs are least successful, and I am afraid that the whole thing may come crashing down around us. We all know the pressure that was behind this program. In the fall of 1960 the unemployment crisis had reached tremendous heights and something had to be done. This was one of those great pieces of legislation put forward to solve and end our unemployment problem.

However, a second realization came along with it. This was as a result of studies that were made in certain areas in certain occupations, when we discovered that Canada had one of the worst trained work forces in the world. Indeed, over the last 10 or 15 years we had been importing our skilled labour and had failed rather miserably to create a society which would encourage young people to stay at school and become more skilled and more able to compete in the technical and vocational areas when their lack of skill was the cause of their being unemployed.

We brought those two facts together and then, of course, we made a rather amazing assumption. We assumed that the provision of facilities, the building of schools, shops, and so on would solve this problem. We assumed this was the deficiency with which we had to deal, that we had not built enough vocational schools at the secondary level, not enough trade schools at the post-secondary level, and certainly not enough technical institutions for a higher level of attainment. This was a reasonable assumption, but I do not think it is one that has ever been borne out by the facts.

Last May the information branch of Department of Labour passed around a publication which I am sure all hon. members have received. It contains a series of speeches on education, training and employment. It was published and distributed by the information branch of the Department of Labour in May, 1961. In this publication there is an address by Mr. D. E. Bridge, of the vocational training branch of the Department of Labour, which

deals with this problem of facilities. I should like to quote the following extract:

> In Canada at the present time there are 24 institutions of technology providing post-high school technical training and five institutes that offer both post-high school technical and also trade courses. In addition to these schools, approximately 223 technical, vocational or composite high schools provide commercial, technical, trade or other occupational training programs.

A cursory glance at these statistics will show where the real deficiency was; not in the secondary school level but in the post-secondary trade school level. In the trade school level there were five institutions across the whole Dominion of Canada. This is the area where the 700,000 people who were unemployed last winter could have obtained some relief. These were the people who did not have necessary skills; these were the people who were working in areas where they required new skills, and schools of this type in which they would be able to bring up their qualifications. This was an area where I think even a cursory glance would show what facilities were required. Mr. Bridge goes on to say:

> At the post-high school technical training level, where requirements are developing rapidly, the shortage of training facilities is very acute.

I repeat, "very acute". He goes on to say:

> There is a need for facilities for an additional 15,000 persons in full time day classes at the trade occupational and post-high school technical level.

Of course we recognized that need. At no point does Mr. Bridge say that at the secondary school level there is any very acute shortage. The reason for my interest in this matter is because in my own experience I have travelled around various schools where there was no great shortage in the technical classes and sections of the schools or where students were unable to take vocational courses because of such a shortage. In many areas where I went I found they had vacancies. I am talking now about the secondary school level.

Let us look at Ontario for a moment. The problem of facilities I contend, is not at the secondary school level. The minister's report of September, 1960 stated that there were 61,049 people in vocational training—this, of course, includes commercial and various types of vocational training—at the secondary school level. I made inquiries and found that the total facilities in the province of Ontario were capable of accepting approximately 70,000 people. In other words there were sufficient facilities, as far as I could determine, at the secondary school level.

How fast is the need growing? I took the figures for the last three years and found that the need had grown by about one tenth each year. The buildings which have already been contructed, to say nothing of those contemplated by March, 1963, would raise the accommodation nearly 100 per cent from what it was when this bill was brought in. Once again I am talking about the secondary school level. Obviously one cannot help wondering whether these governments, especially the Ontario government, are not linking the development of secondary school training with reality. If they can get 75 cents for every dollar spent on this type of building, there is no reason why they should not take it. Whether they actually need it now or not.

There is no system of priority. We suggested when this bill was brought in that there should be a system of priority as to where the need was. Obviously it was in the post-secondary schools and in the trade schools. But where has all the money gone? We will look at the statistics on that question in just a moment.

Really what we have here is some kind of sewer view of education that was linked very closely to the N.H.A. legislation. It was suggested that we should build sewers and this would help put people to work, and it was felt that therefore if we built schools it would put people to work. The time limit was set for March, 1963 so we could build schools and other facilities whether or not we knew what we were doing. I suggest that one cannot relate the building of schools to a make work project; yet, as the minister said in reply to the hon. member for Timmins recently, the cut-off date of March 31 related to winter works. It is astounding to me that the long range future and employment of young people is being determined by winter works projects considerations. I think this will go down in the annals of education as one of the most fantastic, most misdirected programs ever conceived on the North American continent.

I read the debate on this bill with some amazement. At no time was it made clear exactly what the shortage was and where it was. I realize that the emphasis on keeping young people at school and the need for educational training in schools is important, and that with the growth of the population in this country we need more technical schools, but I say this is one of the most unbelievable hoaxes that has ever been perpetrated. This government does not know where the money is going or where it is coming from. This government has gone off on a wild spending spree which is unrelated entirely to where the real shortage is.

Mr. Bridge also says:

> Early last fall the Department of Labour was requested to gather information on a national basis concerning the requirements for training in all areas. Its officials were asked what facilities were available then, what new accommodation was

required, what equipment and personnel were required to put the expanded program into operation.

I should like to read from the debate that took place on this program. Some rather interesting questions were asked in this connection. I can remember very well the afternoon when the hon. member for Bonavista-Twillingate came into the house and asked some rather interesting questions. I should like to read from page 675 of *Hansard* for December 9, 1960.

Mr. Pickersgill: I am sure some survey of this was made before the legislation was produced and I would like the minister to tell us just what the capacity is in each province, how many people could be trained in the existing institutions that have already been provided and in each province, as well, what the department's estimate is of the deficiency. I ask that because I assume the department has made some kind of estimate of how many places for additional pupils are really required in order to do the much larger job which I completely agree with the minister needs to be done.

Then on page 676 appears the minister's answer:

The hon. member for Bonavista-Twillingate asked about the present situation in vocational training schools in this country. I might say that I have had conferences, particularly with the province of Ontario, to see whether more of this training could be undertaken.

Boy, just look at the amount of money which is going to the province of Ontario now. The federal share amounts to more than $120 million. Quebec is getting $5 million and New Brunswick $1.8 million.

Mr. Pugh: Have you the figure for British Columbia?

Mr. Pitman: Yes, I have. It is $8 million. In Ontario it is $124 million.

Mr. Pugh: Are those actual expenditures?

Mr. Pitman: This is the table the minister gave—

Mr. Pugh: Expenditures to date?

Mr. Pitman: This is the estimated capital expenditure approved up to February 23, 1962.

Mr. Pugh: Those are commitments.

Mr. Pitman: That is right. Throughout history Ontario has been complaining about its money being used to help all the other provinces. All the provinces are educating Ontario now. "Particularly with the province of Ontario", the minister said. No wonder he should say that, when $125 million is being paid out of the money of this nation to Ontario and $5 million is going to the province of Quebec. To continue the quotation:

Their problem has been that all of their facilities have been filled to capacity.

I doubt that.

We have surveyed the other provinces of Canada—

I wonder why Ontario was picked out, especially when Premier Robarts came out and based practically all his campaign on a three stream system of education. But to continue—

We have surveyed the other provinces of Canada and we find their facilities are all filled to capacity and there is a waiting list.

I would question that also at the secondary level.

Almost as soon as the doors of new accommodation are opened it is immediately filled. Consequently we feel with respect to this matter and as a result of our survey that there has to be at least a 50 per cent increase in capacity throughout the country so far as this type of school is concerned.

Then the hon. member for Bonavista-Twillingate continued:

What I am really trying to find out is how many individuals can be engaged in training with the present facilities on any one day? It is hard for me to believe that the government, which has reached the conclusion that the capacity should be increased 50 per cent, does not know what the capacity is right now.

Then comes the answer of the minister:

In this respect I am advised that all we can do is to take the word of the provinces. They are the ones who advise us in respect of these matters and it is the provinces who say that they feel that a 50 per cent increase in present capacity is necessary over the coming years.

The hon. member for Bonavista-Twillingate continued:

Is the minister really telling us that his department does not know what the present capacity is in this country? When all is said and done—

Then he was interrupted by the minister, who said:

I do not want any misunderstanding; that is exactly what I told you.

Isn't this unbelievable? I will go on to another remark of the hon. member for Bonavista-Twillingate:

I say I would not, as a minister of the crown, come into this parliament and ask that public money be spent out of the treasury of Canada merely because a provincial government said they would like more of something, unless they told me precisely what they had already so that when I asked the representatives of the people who are the trustees of the people for their money, for more money, I could tell them what existed already and not merely say, we have to take the word of the provinces.

Well, apparently that is the situation, and I cannot help wonder what this means. Somebody suggested that Premier Frost died politically of heartbreak because the promises made by the Prime Minister in Massey hall were not kept. I think he died politically of hysterics at the thought that he could take

this government for everything it is worth. I think he must believe that they are the biggest group of suckers who ever landed here in Ottawa, because they can find a way to make this government pay for their education costs.

What does Premier Robarts say? He says "Cut down your education costs". I am reading from the Toronto daily *Star* of February 15:

> Premier John Robarts last night warned that municipalities must hold the line on education expenditures to keep municipal taxes at a reasonable level.

In other words he is saying "Boy, we have got something good. Now we will hold the line and we will stick the federal government for every cent we can." This expenditure has become a kind of transfer payment from the federal government to the department of education in Toronto. I think the department itself must go into hysterics every time they realize what this government is doing.

What the minister is saying in this debate is, we are concerned about unemployment and we have an idea that technical training can do some good. We are not sure that the government can do any good, but we can go on giving money out, not merely to the provinces, but to the municipalities, to see what will happen.

How is this money being spent? The minister says, as reported at page 1778 of *Hansard*, that it is to be spent as follows:

> Included in these projects are the construction of one new institute of technology, 18 new trade schools, five new combined trade schools and institutes of technology and some 114 new vocational high schools.
>
> Over and above these new schools, alterations and additions will be made to five institutes of technology, 16 trade schools, two combined trade schools and institutes, 56 vocational high schools and 31 minor alterations.

The money is going to the wrong places at the wrong times and for the wrong reasons. Obviously the provincial governments are going to accept this. Why would they not accept it?

Mr. McGee: Are you going to vote against it?

Mr. Pitman: We shall vote it even if it bankrupts you. The history of the opposition in this parliament has been voting for little bits and drops in the bucket. That has been the entire activity going on in this part of the house. May I continue? I want to read a part of a speech by Mr. Bridge:

> The provinces were asked to estimate their needs and to suggest their possible expenditures for the next ten years. After considerable study of the needs of the ten provinces and a concentrated look in the crystal ball—

[Mr. Pitman.]

Boy, that was some crystal ball.

> —we came up with an estimated cost of some $190 million which I will admit startled us but apparently did not startle the cabinet. They decided to plan new legislation which would provide the type of training which we thought necessary for our own skilled manpower training program.

That was for the next ten years; $190 million. This was the result of the survey made by the Department of Labour. I point out that we are up to $269 million already. The hon. member for York-Scarborough said we were questioning the intelligence of the staff of the Minister of Labour. What does he say now?

Mr. McGee: That was not what I said.

Mr. Pitman: Well, I certainly understood that from the reference he made to the speech of the hon. member for Burnaby-Coquitlam. In other words, according to the survey which was made before this bill was passed, a survey carried out when the department asked the provinces to survey their needs, the total of $190 million was considered a correct estimate of the needs for the next ten years. One year and three months later we have spent $269 million. Where does it end? Can there be any better proof that this government is being taken, that it has initiated a program which has simply gone wild? The government does not know where the money is really going, who is really spending it, or for what explicit reason.

I suppose the minister will take the attitude that the more money that is given away, the more successful the program is. If that is the criterion he could probably stand on the steps of the parliament buildings at Queen's Park and hand out $1,000 bills. That would be the most successful program the government could implement under that criterion. The question is how can we create a national training program, retrain the unemployed, raise the qualifications of those presently employed but soon to be unemployed, and provide a sensible, planned system.

We have not had a planned approach on the part of the government. Obviously the federal government has had no idea what the total effect would be. The provinces have already taken more money than it was expected they would take over the next ten years. That was some crystal ball. I think we can suggest that in this area Santa Claus is operating the government of Canada. There is going to be a terrible period of expansion. The local municipalities wonder how their budgets can possibly hold the line. Instead of adopting a planned and just approach there has been a scattered, helter skelter approach which I am afraid is not going to deal with the problem at all.

The school boards have no idea of the pattern of national employment. They do not know what the needs will be 10, 15 or 20 years from now. But they do understand one thing. If you can get a building and have the federal government contribute 75 per cent of the cost you should go ahead and get it, because if you do not need it now you may need it five or ten years from now and perhaps it would be a good thing after all. School boards have no idea of the best training that is needed.

Of course the tragedy of this situation is that we may be wasting a substantial portion of the money spent this way. Unlike defence, education has to be justified in terms of every dollar spent on it. That is true on the contemporary Canadian scene, and of course you cannot spend money twice. We may be stuck for 30 years with a system we planlessly threw together in the period between November 1960 and March 1963.

It is important to know what is going on in these schools. Some may say that is not a federal responsibility, but I say it is. The federal government approves every building that goes up under this program, and it approves of every plan.

Mr. Chambers: And the curriculum?

Mr. Pitman: You cannot conduct an art class in a woodworking shop.

Mr. Chambers: I think we wanted to know if the hon. member thought the federal government should establish the curriculum for the schools.

Mr. Pitman: I am not suggesting that. Let me place on the record a comment made by Dr. Claude Bissell, former president of Carleton University, when addressing the opening session of the Canadian conference on education in Montreal:

> Current demands for more vocational training in Canadian schools are about 20 years too late—

Perhaps one of the best known commentaries on the educational scene is J. Bascom St. John, who writes for the Toronto *Globe and Mail*. I invite hon. members opposite to listen to what he says:

> If anything is clear, even to Ontario politicians, it is that education is changing just as society is changing. This means that new approaches will have to be developed in school architecture to make possible the new trends in education. (That is why it is a national tragedy to spend $200 million, as Ontario is doing, on technical schools designed for educational programs that are already out of date.)

I suggest that in many cases this is a problem communities will face. They will have vocational training schools preparing people for employment opportunities that existed in the 1930's and 1940's. They will be training people for jobs of a nature for which there is a declining demand. The tragedy is that communities will be stuck with buildings that are out of date even before they are built.

Let me take an example. Last year I examined the woodworking program. I doubt that there is any job area that is less likely to expand or to be creative of employment than woodworking as it breaks down into cabinet making, pattern making, and so on. I do not know the experience of other hon. members, but my own experience this winter substantiates my belief. I have received a great many calls from unemployed carpenters this winter.

I am sorry to again use the Ontario school system as an example, but when you consider the money spent in the province in this field it is perhaps good to examine the record. In 1958 there were 111 graduates in all branches of woodwork. In 1959 the figure declined to 109 and in 1960 it dropped to 91. When I directed an inquiry to the department I was advised that 117 new wings or new buildings had been constructed in Ontario and there were 81 woodworking shops, approximately one for every student graduating in the craft. One director of education commented that we might as well establish a program under which we would give courses in fur trading, which would be just about as relevant to the situation. No time is spent in thinking, planning or in conducting research. We are just handing out money. There is no research project to determine the direction we should follow. I suggest we are erecting buildings which will be future monuments to our lack of foresight.

One cannot but wonder at the order in which things are being done.

I wish to read from the Toronto daily *Star* of February 28 an article entitled "Add $28 Million to Build Technical Schools—Ottawa". It reads in part as follows:

> Coupled with the building program is a report, soon to be released, surveying training requirements of industry across Canada and making recommendations as to what skills are most in demand.

Has this report been tabled? I have taken this comment from a news release. It continues:

> The two year study was undertaken by H. L. Shepherd, industrial relations supervisor of Canadian Westinghouse in Hamilton.

What a backward way to go about it. You put the buildings up and then have the survey. Of course the survey may reveal that the existing buildings do not meet the needs and that you cannot adapt the buildings to meet the needs revealed by the survey. A

few millions should have been spent in research to find out where we are going; then the buildings could have been constructed. I suppose, however, that would not be politically expedient. I suggest that by 1963 there will be large numbers of brick piles to which cabinet ministers can point as they wander across the nation. The politicians are playing politics with the careers of our young people, and I am sure none of us condone this.

Let me quote from a news release issued by the Department of Labour on February 14, a statement attributed to the minister:

> Because of the recent increase in federal financial assistance to vocational training facilities there has been a great growth in the training capacity of schools in all provinces Mr. Starr said. He added that this will provide more pre-employment training and more capacity for training employed persons, with great advantage to the apprenticeship program.
>
> This expansion of training facilities is only the first phase of our work, Mr. Starr told the committee, which is made up of leading representatives from industry, the labour movement, and provincial departments of labour.

Surely the first phase should have been research to determine the needs. Can a more backward approach be imagined? I continue:

> The federal government is not satisfied just to see more schools being built, the minister stated. We are interested in the programs that will be provided in these schools and in industry. We want to see these new schools serve adequately the youth of our country, and industry.

In other words, you build the buildings, then find out what the needs are, and then set up the program. That is simply too ridiculous. What terrible consequences there will be as a result of this preposterous sequence. It may be discovered that we do not need some of the buildings, some may be located in the wrong places, some may be fitted for the wrong courses and of course, tragically, we will be stuck with them for 25 or 30 years. It is already too late, and the buildings will decide the programs.

The provisions of Bill No. C-49 offer assistance in the training of teachers, and I shall have more to say about that later. However, I cannot conceive of a more backward way of dealing with what I consider to be one of the most serious problems in the nation. Will the sequence here be that of putting up buildings, retraining teachers already trained, studying the needs and then deciding on the program? Again the sequence is backward. We are faced with the problem of bringing people up to the levels of skill and technical training demanded by the age in which we live. The Ontario department is faced with over 100 technical wings springing up everywhere. Where will they find the teachers?

As hon. members probably realize, vocational education divides into two distinct phases; the industrial arts, which is an important and significant area of teaching, as well as vocational training which is largely related to providing jobs. We recently received an interesting telegram from the chairman of the research council. This is what he says:

> Technical program in Ontario has caused displacement and discomfort for long established and professionally sound area of industrial arts. Research shows one hundred men seriously affected. Department not cooperating well to allow these to re-qualify but they take anybody from the trades. Details to follow. Sincerely feel with many others that program has gone overboard and is outdated.

What you have at this time—

The Deputy Chairman: I am sorry; I thought the hon. member had finished his sentence.

Mr. Pitman: We have industrial arts teachers who are doing important work in one area placed in another area where they themselves recognize they are not as qualified to teach trades training or vocational training as are those who have had several years trades experience, as it has been in the past. What you have are people less qualified in that sense when we need men more qualified in a certain way.

Mr. Hellyer: I listened to the hon. member for Peterborough with great interest. I think he has made a very thoughtful address and one which deserves serious study by this government. I will not attempt in any way to repeat the arguments he has put forward, as he has made the case very well.

An hon. Member: Does the hon. member agree with him?

Mr. Hellyer: As one of the people who several years ago suggested that the federal government embark on a training program, I am interested in the way in which it is being carried out. At that time at least some of us felt that the greatest need was in training and retraining for unemployed adults, that the need was greatest to provide skills for those adults who had not received skills in the process of their educational training and new skills for those who had been displaced owing to automation and other causes.

It was with this thought in mind that we felt that the federal government should embark on a massive training and retraining program for unemployed Canadian adults. I am sure that most people at that time did not in fact envisage that the program, when it was commenced, would be in major part federal aid to secondary education. I do not think that is what many people at least had

in mind. I think what they had in mind was the federal responsibility to assist unemployed Canadian workers to gain the skills they needed in order to re-enter the Canadian labour force, to pull their full share in Canadian production and, as a consequence, to be entitled to their share of that production. It is fairly obvious that somewhere along the line the whole program has got quite a bit off course. Indeed there is considerable doubt as to the necessity of building new technical facilities at the high school level. This is the case that has been given us by the hon. member for Peterborough.

I note with considerable concern the opinions of two or three experienced teachers in Toronto trade schools who feel that to some extent at least they have not been fulfilling a useful function. Some of them consider that they have been little more than adult baby sitters for high school students who really do not know what they want to do, who cannot quite make the grade academically but yet who are too young to go out into the labour force. The hon. member for Peterborough has also said here that this is partly because of the curriculum and because the courses being offered are not those which are compatible with the technological age in which we live. Hence undoubtedly a review is required at the secondary school level by the individual departments of education across the country. But this has always been and is properly recognized as being within the competence of the provincial jurisdiction. The program on which we thought we were embarking was one for rehabilitation and retraining of members of the labour force who were not employed, for reasons beyond their control.

What has been the result in respect of this training at the adult level? I should like to put on the record a memorandum prepared by the Italian community promotion centre, 1683 Dundas West, Toronto 3. It is so good, Mr. Chairman, that I should like to put it on the record in full and I am quite prepared to take personal responsibility for the contents. The subject of this memorandum is "Ontario's Vocational Retraining Program". As they see it the problem is this:

> Under existing Ontario laws and practices it has become impossible for an adult to learn a designated trade unless he is prepared either to join the armed forces or unhappily becomes an inmate of a penal institution.

Then they carry on as follows under the heading "The Background":

> In November, 1961, in what was widely heralded as a serious effort to cope with the growing unemployment problem among immigrant workers, the Ontario department of education gave its approval to a program for the retraining of unemployed citizens under schedule five, which included a series of courses at the provincial institute of trades. The courses provided for 50 per cent academic training and the remaining time to be devoted to an orientation program by which the student would move from shop to shop spending approximately 100 hours in each and acquiring the basic skill in each of a number of trades.
>
> In December 1961, the prospective students were informed by letter of the opportunity to take the retraining courses. On January 5, 1962, 13 instructors were hired by the provincial institute of trades on a casual basis to carry out the programs but on the assumption that employment would be expected to continue for a period of six months if there was no shrinkage in attendance.
>
> On January 9, 1962, a battery of national employment service counsellors processed 225 applications for the upgrading classes.
>
> On January 10, 1962, the provincial institute of trades, where the courses were planned to take place, received instructions from the department of education that all practical work in the designated trades was to be eliminated.
>
> On January 10, 1962, at 4 p.m., 180 unemployed citizens with high hopes reported for training in anticipation that both theoretical and practical work would be available. They were informed that unexpected problems had arisen re: practical phase of the course and that for now the academic phase only would be given.
>
> On January 14, 1962, the Italian community promotion centre dispatched the following telegram to the Hon. John P. Robarts, prime minister of Ontario:
>
> "Italian community of Toronto deeply regrets reversal of the government's first decision to provide technical and academic training for Italian immigrants at the provincial institute of trades under schedule five.
>
> It is the sincere hope of the Italian community that the government will reconsider this regrettable action and immediately reinstate its first plan to provide for effective training under this scheme.
>
> F. Roca"
>
> On January 16, 1962, the following telegram in reply was received by our president: "In the absence of the Hon. John P. Robarts, prime minister of Ontario and minister of education, this will acknowledge the receipt of your telegram dated January 14, 1962. In your telegram you expressed regret on behalf of the Italian community regarding the decision which was reached with respect to a proposed training program at the provincial institute of trades. I can assure you that your communication will be brought to the attention of the prime minister on his return. C. W. Booth, Deputy Minister of Education."
>
> On January 16, 1962, bricklaying, plumbing, steamfitting and painting instructors were informed that their employment would terminate on Friday, January 19.
>
> On January 18, 1962, the timetable was reorganized and announcement was made that there was no shop work in the designated trades. Some practical work was provided in welding and in cabinet making, since these trades were not considered then designated. Classes operated from 4 p.m. to 11 p.m.
>
> On January 22, 1962, the department of education, apparently after consulting the director of the apprenticeship branch of the department of labour, discovered that any work in cabinet making was also unacceptable to the department of labour.
>
> On January 22, 1962, the provincial institute of trades was informed that cabinet making instructors would terminate their employment as of January 26, 1962, and that this phase of the program will cease.
>
> On January 26, 1962, the attendance of classes averaged 105 men of which: 28 men taking basic

training in academic subjects only; 38 men taking academic subjects plus welding; 21 men taking blueprint reading plus academic subjects; 29 men taking for the last day cabinet making plus academic subjects.

On January 26, 1962, the following letter was received by Mr. F. Roca, past president of the Italian community promotion centre, from the prime minister, the Hon. John P. Robarts:

"Dear Mr. Roca:

Your telegram dated January 14, 1962, expressed regret on behalf of the Italian community regarding the decision which was reached with respect to a proposed training program at the provincial institute of trades. The matter of offering practical training in the building trades has been studied carefully and the conclusion has been reached that under the laws as they stand at present the Ontario department of education is not in a position to offer basic training for skilled development in the designated trades. The course has, therefore, been revised to include academic work related to the trades. It is our opinion that this revised course will be of value to the people whom you represent.

Yours sincerely,

John P. Robarts,
Prime Minister of Ontario and
Minister of Education."

Some unanswered questions: In analysing these events, the following considerations have come to our attention:

1. Out of 180 applicants, 45 have spent four to ten years as tradesmen and had registered for the course to upgrade themselves. It is difficult for us to understand the basis on which unemployed tradesmen are denied this opportunity.

2. While the main purpose of the course is to upgrade these people academically, it is important to remember that these men are accustomed to manual work and that it is most difficult to get them to accept an educational program which excludes any opportunity to develop manual skills.

3. We have been diligently studying the apprenticeship act and regulations in order to learn what precise laws in Ontario would make it illegal for the department of education to offer training in basic skills in designated trades where there is no compulsory certification. If it is entirely permissible for anyone over 21 years of age to accept employment in any of the building trades, whether he has any training or not, why then is it illegal for the department of education to provide this much desired training?

4. We have been surprised to learn after careful investigation that Ontario is the only Canadian province where the apprenticeship act makes it impossible for a person over 21 to get training in a designated trade.

Summation:

It is our firm conviction that in watering down the progressive and comprehensive program it embarked upon last November the government has taken a retrograde step. We therefore call upon the members of the legislature to urge the government to alter its decision and return to its original policy. Failure to do so will, in our view, lead inevitably to a situation where thousands of new Canadians, who could by retraining very greatly enrich their own lives and thereby increase their value to the province of Ontario, will instead become spiritually disheartened and during frequent periods of unemployment an economic burden to the community. To permit this to happen would, in our opinion, be a denial of the dignity and rights which are the basis of the Ontario human rights code.

We hope that in reviewing the facts given above you will bear in mind that our organization, in pressing for the full reinstatement of the original plan, is motivated by one desire, to enable these new Canadian citizens to increase their knowledge and develop their skills so that they may make their maximum contribution to the development and progress of the land of their adoption. Above all, we hope that you will do your very utmost to bring about a speedy change in existing laws which now stand as a barrier to the government's previously announced retraining program.

We are confident that the members of the legislative assembly will share the concern felt by the members of our association in a situation where the well-being and future usefulness of many thousands of new Canadians is vitally affected. For that reason we felt obligated to provide you with some background material which will enable you to make a proper assessment of the problem and effect an early solution. It is our earnest hope that you will find the occasion to deal with this matter within your own parliamentary group or in the course of your legislative deliberations. If you desire further information the undersigned will be very happy to confer with you.

Respectfully submitted,

Adelsi Bulfoni, President.

Although this memorandum is oriented to new Canadians, it applies equally to all Canadians. They have the same problems. It applies equally to unemployed adults no matter what their origin who happen now to find themselves without employment and who wish to take advantage of their idleness to improve their chances to contribute gainfully to the country they love. This is the problem. This is what we are trying to face and yet this problem is being evaded by the government by reason of the administration it is giving to this act.

I have said that in respect of young people of high school age there is some real question whether further expenditure in this area is in their own best interests or whether, on the other hand, an expansion of the apprenticeship scheme would not be of greater benefit to them. I can say from my experience in hiring men, Mr. Chairman, that I have found that those who are best qualified and best able to go to work and do their assigned tasks well, without on the job training, are those who have gone through the apprenticeship system and those least qualified and least able to perform the duties assigned to them are those who in many cases have graduated from the secondary school system as it is now constituted.

This raises a very real and vital question. We are being asked to provide to the province of Ontario alone over $100 million. To do what? That is the question. To subsidize the building of secondary school facilities which are not in some cases in the best interests of the pupils themselves? Is that the purpose for which funds are being voted? Is it the intention of parliament that the great problem of unemployed adults is to be overlooked and ignored and that the impression is to be created that something is being

done merely because a lot of money is being spent? Is this what we are being asked to believe?

There is a very real question, Mr. Chairman, as to the effectiveness of this plan to meet the purposes for which it was allegedly designed. This raises too, as I have said, by inference at least a question as to the competence of the authorities in some of the provinces, particularly in my own province of Ontario, to administer the plan wisely and make the maximum use of the funds for the purpose for which they were intended. Frankly, I have not too much faith in the Ontario administration.

Furthermore, it raises the larger question of the effectiveness of provincial jurisdiction in labour matters. The judicial committee of the privy council ascribed labour matters to the provinces under section 92 of the British North America Act relating to property and civil rights. One could ask, how can the federal government, which is responsible for maintaining full employment, which is responsible for maintaining economic growth in the country, fulfil this responsibility when it is frustrated by legislation such as that existing in the province of Ontario in respect of apprenticeship training. This is a very real question, Mr. Chairman, and one to which I think we will have to turn our attention. Can we in 1962 expect the federal government, with its responsibility in matters of money and finance, with its responsibility in respect of external trade, with its responsibility for over-all financing of major national projects, to achieve the goal of full production and full employment, the raising of the standard of living, and at the same time be hampered in achieving that goal by the archaic legislation that exists in the province of Ontario?

Well, Mr. Chairman, I hope that the government will consider this question. I hope that the government will reassess the purpose for which this act was introduced, the purpose for which the legislation was passed and the purpose for which funds have been and are now being voted by parliament, and try to relate them to the great problem which exists in the country. I hope that before the question is put, the minister will reassure the committee that he will reassess the problem and that he will try to relate it to a greater extent than he has been able to demonstrate thus far to the funds being voted that are going to help rehabilitate and retrain those Canadian workers who, through no fault of their own, are unable to find gainful employment.

Mr. Pitman: I believe that what the hon. member for Trinity has said should be given careful consideration by the government. I feel this is the problem, that we are doing everything in the wrong order. We are putting the money in the wrong places in terms of priority. Certainly, we need vocational schools. However, let us find out where we need them and for what job we need them. Let us find out what people we should train. It is because of the planless, chaotic, confused state we have under this government today that we are doing the most fantastic things imaginable. This government is spending $124 million out of a vote of $188 million in Ontario, and yet Ontario may very well not even qualify for its share because they have not spent enough days in training unemployed people.

With over 200,000 people unemployed last winter in Ontario, that government did not train enough people to permit the Ontario government to qualify. The only provinces in fear of not qualifying were Ontario and Quebec. Yet, you have this distorted priority. The people were not trained but were on the welfare rolls and the governments are putting money into vocational schools which in many areas, I say from experience, are not going to be fully utilized for perhaps ten years.

Mr. McGee: They will be training people so there will be no unskilled unemployed in the future.

Mr. Pitman: These schools are not even training people for the type of employment that will be available 10 or 20 years from now. Are we going to keep these unskilled unemployed for the next 20 years? Are they going to be the lost generation, the lost group of people, as a result of this government's policy? You can put it another way. Are these people going to remain unemployed and do nothing for the economy of this country for the next 20 years? I know people who have been unemployed for three years. The hon. member for Essex East said he has people who are coming to him every week end, and I expect other members have had the same experience. There has been no government directed program for retraining unemployed. There is an excellent editorial on this subject in the Toronto daily *Star*, and it reads in part:

> Toronto's retraining program for the unemployed has hardly begun, though it was supposed to be well under way by midsummer. Why?
>
> There is no lack of unemployed men and women —26,398 were asking the national employment service Toronto district office for jobs last week.

At the same time, there were 10,000 unfilled jobs in Toronto that these people could not take.

The Chairman: Order. I regret to interrupt the hon. member but it is now five o'clock and it is my duty to leave the chair in order

that the house can proceed to the consideration of private members' business, pursuant to section 3 of standing order 15.

PRIVATE BILLS

On the order:

House in committee on Bill S-3, an act respecting the Mutual Life Assurance Company of Canada. (Without amendment)—Mr. Weichel.

Mr. Speaker: I notice there are four private bills standing for consideration in committee of the whole. Is it agreed that, in accordance with section 1 of standing order 54, they be referred to the committee of the whole in one motion?

Some hon. Members: Agreed.

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. S-3, respecting The Mutual Life Assurance Company of Canada—Mr. Weichel.

Bill No. S-4, to incorporate Westmount Life Insurance Company—Mr. Webster.

Bill No. S-7, respecting Muttart Development Corporation Limited—Mr. Maloney.

Bill No. S-8, respecting Sun Life Assurance Company of Canada—Mr. Lafreniere.

CRIMINAL CODE

AMENDMENT TO ABOLISH IMPOSITION OF CORPORAL PUNISHMENT

Mr. Frank McGee (York-Scarborough) moved the second reading of Bill No. C-22, to amend the Criminal Code (corporal punishment).

He said: Mr. Speaker, the origin of this bill, as most hon. members are probably aware by now, is the report of the joint committee of the Senate and House of Commons made in 1956 on capital punishment, corporal punishment and lotteries.

The recommendations of the committee include the following:

The committee kept two considerations in mind throughout its inquiry into corporal punishment as a part of the sentence of the court. The first was whether it deters those subjected to it from further crime and, second, whether it deters the public generally to a greater extent than other methods of punishment. The evidence did not justify the view that it will exercise any special reformative or deterrent influence on individuals upon whom it is administered and, on the whole, it appears to have the contrary effect. The committee concluded that the existence of corporal punishment affords no unique deterrence to crime. Accordingly, the committee recommends that corporal punishment be abolished for any of the offences for which it is presently prescribed in the Criminal Code.

The committee, representing members of all parties of this house and the other place, came to this conclusion after a most careful, thoughtful and thorough examination, after hearing testimony from many sectors of our country and summoning informed and expert witnesses on this subject.

[The Chairman.]

The history of the movement to abolish corporal punishment here and in other countries is interesting because wherever it has been abolished, either within provincial jurisdiction—as it was recently in the province of Ontario—or within federal jurisdiction, as occurred in England, the abolition of this particular form of punishment has flown in the face of public opinion. In England approximately 75 per cent of the public disagreed with the action taken in abolishing corporal punishment.

I am confident that this is the situation in Canada today and has been for some years. I have seen no evidence—and I would be grateful if any hon. member who has encountered any evidence to the contrary would inform me of this—that this situation has changed materially since the report of the joint committee to which I referred a few moments ago.

I should like to refer to the experience in England. Last year I took the opportunity to place on the record excerpts from the report on corporal punishment handed down by the advisory council on the treatment of offenders. This advisory council was ordered by the home office in England. The report was presented to that parliament by the secretary of state for the home department by command of Her Majesty in November, 1960. The advisory council was formed as a result of increasing agitation within and without parliament in England concerning the increase in the incidence of crime in general and crimes of violence, in particular, and particularly strong pressure exerted from within the house of commons.

A substantial number of government members—that is, members of the Conservative party—in England had been making vociferous demands of the government to restore corporal punishment, which hon. members will recall had been abolished in that country some years before.

Last year I placed on the record the salient features of that report in connection with this measure. I would recommend the reading of the report to hon. members interested in this matter. In reviewing the salient features of the report last year I neglected to state that in the face of vociferous agitation within the Conservative party in the British house and abroad in the country the government accepted the report, flying in the face of approximately 75 per cent of public opinion to the contrary. Surely that was an act of courage on the part of that government and an example, in an enlightened way of not accepting public opinion. I neglected to include that salient fact in the summary of the British experience in

my speech on second reading of this bill last year. It is my opinion that the feeling in Canada today among those who are concerned with this matter is that we would be prepared to abolish corporal punishment for the adult groups, having acknowledged the futility of taking a hardened criminal, lashing him to a post and proceeding to apply the penalty in the quaint and crude manner prescribed under the Criminal Code.

I mentioned the province of Ontario a few moments ago. Again, it is significant that the province of Ontario under the leadership of George Wardrope, the then minister responsible for reform institutions in Ontario, should have abolished corporal punishment in that province. This was an act of political courage, I suggest, particularly when one recalls—and I am subject to correction here —that this action was taken a few months before a general election in that province. One could argue that the gentleman was elected in spite of that action rather than because of it, but it is significant to me that this action, an enlightened as well as a courageous one, should have met with a wide measure of support, certainly on the editorial pages of newspapers in Ontario.

I should like to turn the attention of the house today to the specific problem of the juvenile delinquent because, as I said a few moments ago, it is my opinion that the country is prepared to abolish corporal punishment for the adult group but that there is a reluctance not only among members of this house but among members of the public at large to abolish corporal punishment of the juvenile delinquent.

I should like to quote from the original report to this house concerning this question of the juvenile delinquent. I should also like to quote from the United Kingdom report, because this subject, as I shall point out later, is receiving increasing attention and is under study at this time by a committee set up by the Minister of Justice on January 8 of this year to inquire into the whole question of juvenile delinquency. It is my hope and expectation that following this inquiry we shall come to a final conclusion on this matter and satisfy ourselves that corporal punishment has no effective application in the field of the treatment of juvenile delinquents, and then proceed to abolish corporal punishment and place the name of Canada among those of the nations which have reached a degree of enlightenment enabling them to remove a barbaric and punitive form of punishment.

In the report of the joint committee of the Senate and the House of Commons, specific reference is made to the corporal punishment of young offenders. I quote:

> The committee gave special consideration to the problem of young offenders. Some of the arguments for extending the use of corporal punishment to young offenders as an effective deterrent against subsequent offences are reviewed in paragraph 13. The only suggestions made for increased use of corporal punishment were made by those who favoured its use for particular types of young offenders. The view was expressed that youths who had persisted, despite reasonable efforts at reform by probation and other methods, in offences against the person, property or public order, most commonly associated with street corner gangs, might be brought to their senses by the administration of corporal punishment. In this way, it was contended, they might be saved from a prison sentence which would probably lead to a confirmed criminal career.

Then the report continues:

> The committee cannot accept these views. The evidence presented to the committee indicated that the special provisions formerly made in the United Kingdom for the caning or birching of young offenders were not effective and were gradually abandoned, in practice, in favour of probation and other methods of treatment which were found to be much more effective. The United Kingdom departmental committee on corporal punishment (1938) recommended abolition of caning young offenders. This recommendation was carried into effect in 1948, by which time caning had become virtually obsolete as a method of treatment or punishment.
>
> Medical and psychiatric evidence presented to the committee suggested that little, if any, advantage would come from increased use of corporal punishment against young offenders. It was stated that such punishment would create an attitude of aggressive hostility in many cases which would militate against reform; and the experience of the juvenile and family court of Toronto with corporal punishment of juveniles supported this contention. The danger exists that any increased use of corporal punishment for young offenders might undermine and destroy the positive attempts made towards their reform and rehabilitation. It was also considered that the delay resulting from the necessity of allowing for a proper trial and appeal would destroy any good which an immediate application of corporal punishment might accomplish.

Finally, the report says:

> The committee does not believe that any convincing case was made for extending the use of corporal punishment to young offenders.

I would remind hon. members that this question of the street corner gang and the kid in the leather jacket is not new. Suggestions have been made that this problem is increasing, but the factors which are involved and which were considered by the committee have, I submit, not changed in any material way since the date of this report.

Now I should like to refer to the report made in 1960 in the United Kingdom where special attention was paid to this question of corporal punishment for juvenile offences. I quote:

> There seems to be a widespread feeling, based partly on these objections to the formalities of judicial corporal punishment and partly on those to the delay that must occur before the punishment is inflicted, that for young offenders the

punishment should be either less formal or administered without waiting for the ordinary judicial processes. One suggestion put forward—

I might add, parenthetically, that this is a suggestion I have heard frequently from hon. members in private discussions on this subject.

—was that courts should have power to order young offenders to be caned by their parents, and another that the offenders should be handed over to their schools to be caned.

After mentioning that this particular point is discussed in another paragraph, the report goes on to say:

We do not see how either could be enforced. Another popular suggestion was that the police should be permitted to "cuff" or "spank" young offenders on the spot, or should take them to the police station to be caned immediately, and that they should be protected by law against the possible consequences of such actions.

Again, this is a popular opinion, a widely held view as to what might constitute a simple, quick and easy solution to this problem. Hon. members may recall several suggestions which have been put forward as to how these young punks can be treated. The report goes on:

Several of our older correspondents said that these practices were prevalent when they were young and that it was mainly because they themselves were dealt with summarily in such ways that they were better behaved in later life. We do not think, however, that such practices would now be found acceptable.

Then, discussing the reference which was made to the possibility of turning over young offenders to their parents for punishment, the report states in a later paragraph:

One suggestion that was put forward in relation to young offenders was that parents should be required to administer the penalty, if necessary under supervision, but this would clearly be impracticable, as well as objectionable in principle. A parent could not be required by law to chastise his child, nor could any sanction be imposed if he refused to do so.

Where the problem has come into sharp public focus, public opinion aroused and inquiry made into the question, we find once again that the thinking of experienced people in the field almost unanimously is that in England corporal punishment should not be restored and in Canada it should be abolished.

I mentioned earlier that the Minister of Justice has established a committee to implement a study of juvenile delinquency in Canada. I wish to read briefly from the terms of reference of the committee as contained in the press release of the Department of Justice dated January 8:

The committee will be charged with the responsibility of inquiring into and reporting upon the nature and extent of this problem in Canada and to make recommendations concerning steps which may be taken by the parliament and government of Canada to meet the problem. It will hold discussions throughout Canada with appropriate authorities who work in, or are familiar with the field of juvenile delinquency and invite written briefs from interested private organizations and members of the public.

The director of the main committee will be Allen J. MacLeod, Q.C., commissioner of penitentiaries, a man who I am sure is known to many hon. members of this house. I am certain Mr. MacLeod would not object if I mention here that this fulfils a strong personal ambition of his. I am sure he has discussed this with many hon. members. He feels that this is one of the vital areas of study that must be inquired into in an effort to understand and solve the problems that occur in later life, and those he has to deal with in his capacity as commisioner of penitentiaries. Mr. MacLeod is a man of outstanding reputation, ability and character and will do an excellent job in this capacity. He is to be assisted by a supervisory committee to be composed of the parliamentary secretary to the Minister of Justice whose sterling qualities I need not list because the reputation of the hon. member for Saint John-Albert speaks for itself, C. W. Harvison, commissioner of the Royal Canadian Mounted Police and Mr. T. George Street, Q.C., chairman of the national parole board, who are outstanding in their respective fields.

I would hope that the committee of inquiry in its meetings with various groups across Canada would address itself particularly to the problem of corporal punishment for the juvenile offender.

A frequent argument one hears with respect to the retention of corporal punishment is that advanced by the hon. member for Dufferin-Simcoe in the debate last year to the effect that we do not want to go soft, that we do not want to spare the rod and spoil the child. However, I have personally spoken to people who held this view and who, when serving as members of committees of inquiry into the question, when confronted with the cold facts of the testimony of experienced people in the field reluctantly found themselves unable to maintain the position they had adopted when first confronted with the problem. Records of committees of inquiry may be examined to substantiate what I have said.

I will conclude quickly by urging that the committee headed by Mr. MacLeod address itself to this question. I expect that the recommendation they will make on the subject will concur with that made by the interparliamentary committee in Canada and with that made by the more recent committee in England, and that in the reasonably near

future we can look forward to a time when corporal punishment will have been finally abolished in Canada.

(Translation):

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, the bill now before us is, on the whole, rather simple: it tends to abolish corporal punishment, as provided under sections 136, 138, 141, 142, 148, 218, 289, 586 and 641 of the Criminal Code.

The hon. member for York-Scarborough (Mr. McGee) devoted a considerable part of his speech to attenuating that aspect of punishment and of the penalty provided by law.

Mr. Speaker, I should like to say at this point that I do not want to impute any motive to the hon. member not to make any unkind remarks because I know very well that he is acting in good faith and that he has strong feelings on that matter. However, I fail to see why we should waste the time of the house looking into a matter which only affects a few individuals among 18 million Canadians. Indeed, I think that, during the year 1961, corporal punishment did not affect more than five, six or seven individuals throughout Canada, and I certainly think that we are losing here of the true issue which we should meet, and in respect to which I shall say a few words later on.

The hon. member for York-Scarborough mentioned some paragraphs of the report submitted by the joint committee of the Senate and the House of Commons. It is true that the members of that committee recommend that corporal punishment be abolished for offences in respect of which it is presently prescribed in the Criminal Code, but they seem to have based their views on the fact, and I quote their own words:

> —that in the last few years, the courts have rarely imposed corporal punishment.

I would refer the hon. member to page 43 of that report, and I am taking this opportunity of telling him that I was greatly impressed by the views on corporal punishment expressed by the attorneys general of the provinces, by police officers and certain law enforcement agencies. I should like to quote a sentence from section 11, page 43, of that report:

> The attorney generals of most provinces, the police, and other law enforcement agencies favoured the retention of corporal punishment.

Mr. Speaker, this bill seems, indeed, to raise an issue which only exists in the mind of the hon. member for York-Scarborough. I do not believe that this problem can be said to stir public opinion. Not at all. The latest statistics I have here refer to the year 1954. Out of 2,344 cases where corporal punishment might have been prescribed in Canada, it was imposed in only 14 cases, representing a percentage of 0.6.

I thought the hon. member for York-Scarborough would have supplied us with some recent statistics, perhaps for the years 1958-59, 1960 and 1961, and I am certain that the proportion would have been still lower than the one I just mentioned.

Mr. Speaker, we are then engaged in an academic discussion. The question is to determine whether corporal punishment operates as a deterrent of certain serious crimes. Personally, I fail to see any usefulness in this debate, and I shall tell you why.

While the joint committee recommends the abolition of corporal punishment, it seems to question whether such a recommendation would be accepted, and it even makes alternative recommendations which the hon. members will find on page 48 of the joint committee's report. I quote from beginning of section 29 of the report:

> In the event that the recommendation of this committee is not accepted, the committee makes the following alternative recommendations.

Mr. Speaker, this bill provides for some relaxation in the meting out of corporal punishment in the most serious offences for which it is presently prescribed in section 289 and following sections of the Criminal Code, such as rape or robbery.

The hon. member, in spite of all his comments and learned comparisons, has not succeeded in showing the committee whether or not corporal punishment is a deterrent to crime.

There is no comparative table in Canada, and I do not believe the hon. member could show us one. I wonder whether we should not, on the contrary, try and make the law and its enforcement still more severe.

In a neighbouring province—the one referred to, a moment ago, by the hon. member for York-Scarborough—a survey of organized crime is now in process. That survey—and I am not indulging here in party politics—whether it has been requested or not by the opposition, has indeed been decided upon under the pressure of public opinion, I am sure. That survey is now then in process in the neighbouring province, especially on account of a statement made by the chief of the royal mounted police, to the effect that organized crime and American underworld elements had infiltrated into Canada.

I submit very humbly that, in the circumstances, we should keep the provisions of the Criminal Code as they are at the present time. Besides such is the recommendation of the attorneys general in most provinces—who are experts on the subject—as well as most chiefs

of police in Canada and all law enforcement agencies.

I prefer to all others the opinion expressed by all these people, who know the facts and who advocate that the law be strengthened.

Mr. Speaker, a provincial inquiry on organized crime will take place in the neighbouring province. I submit that such is not the solution to the serious situation in which Canada finds itself at this time. As far as I am concerned—it is my personal opinion—I think that a royal commission on organized crime in Canada should be instituted; it is needed, especially following the statement made by the chief of the mounted police.

In the circumstances, I submit that this bill does not deal with today's problems and is at the most of academic interest.

Until a royal commission on organized crime in Canada is instituted and a report submitted, I am in favour of the status quo with regard to the present provisions of the Criminal Code.

For those reasons, if the bill comes to a vote, I will vote against it.

(Text):

Mr. Harold E. Winch (Vancouver East): I am very glad, Mr. Speaker, that the hon. member for York-Scarborough has introduced this bill. I hope this matter will continue to come up for consideration until finally corporal punishment is abolished. If for one moment I could see any evidence that the lash or the paddle was a deterrent to crime, an aid to discipline or of any use in the majority of cases in transforming the antisocial attitude of juvenile delinquents and criminals, then I would be in favour of its retention. However, I have never come across any evidence to show that corporal punishment exercised through the paddle and the lash results in anything more than an addition to the antisocial attitude of those who receive corporal punishment. I am not speaking from an attitude of going soft or from an attitude of one who does not realize the seriousness of crime, and in particular of juvenile delinquency in this country. I am speaking from a long study of this matter. I had the privilege of being one of the members of the joint committee of the Senate and the House of Commons which gave a great deal of thought and study to this entire matter. On the basis of all that we could learn from the authorities, we were obliged to reach the conclusion that corporal punishment should be abolished.

I personally have visited a great many jails and penitentiaries in Canada. I have seen the lash and the paddle. I have seen the rooms in which they are used and I have had given to me explanations as to how they are administered. The fact that there is a great deal of severity in the application of them is proven by the fact that a doctor must be present at all times. I have seen the backs of men who have had the lash. I know that many of them, after receiving the lash, require to be hospitalized for a number of days. I say that is not a modern approach to the questions of penology and of reformation. Over the years I have spoken to a great many of the guards in our prisons and penitentiaries. In the prisons and penitentiaries themselves I have interviewed a great many of those who have received the lash and the paddle, either as a result of a judicial sentence or for purposes of discipline through the warden's court. In all these interviews, which were sometimes undertaken individually and sometimes with a group numbering as many as 20 at one time who had received the lash and the paddle, I can remember only two who ever said that it did them any good. The rest of them said that it made them more bitter. They said it made them feel aggressive against society and not more friendly to society.

It will be a long time, Mr. Speaker, before I forget one young man whom I interviewed. He told me that as a result of receiving the paddle he was driven by one ambition only, namely the ambition to kill the guard who gave that punishment to him. This young man years later told me himself that the first thing he did when he was released was to get a rifle and that he actually had that guard in the sights of that rifle when a companion of good sense stopped him. Someone may say, "All right, you have spoken to these men in the institutions and naturally they would express bitterness and an antisocial attitude, but what about the attitude of those who were once antisocial, who broke the law, were sentenced and received the lash or paddle?" We recognized that that was a logical question to ask. That is why the joint committee of the Senate and the House of Commons in 1956 made all the neccessary arrangements through the Y.M.C.A., the Salvation Army and other bodies for legal counsel to the committee to meet in confidence with a number of former inmates who are now prominent businessmen in this part of Canada. They were all interviewed in confidence and their names are not known. But what they had to say is known.

When all these men who were previously anti-social, who received the lash or paddle and who have now become adjusted to life were asked what their reaction was to corporal punishment and whether or not it did them any good, only one said that it did. All the rest said exactly what I was told by men in the institutions all across Canada, that it made them more bitter and more antisocial. It made them want to get back at society. It was not so much a case of the pain as it was of the shame. That may sound rather startling,

but if you speak to those who have had the lash or the paddle nearly all of them will say that they would rather have the lash. The lash is more severe and far more painful but they would rather have it because they can stand it and they become heroes. On the other hand, to be tied down to a table and have their pants taken down and to be paddled as though they were little schoolboys when they are grown men brings about a sense of shame in most of them.

I want to repeat that as a result of everything that the joint committee of the Senate and the House of Commons was able to learn, as a result of all I have been able to read on the subject, as a result of all the interviews I have had with those in institutions who have been given such punishment and the information received from those who in the past were so punished but are now rehabilitated, I can only come to one conclusion, that corporal punishment is not a deterrent to further crime and is of no assistance so far as discipline is concerned, because there are far better ways to administer discipline. It does not aid in getting rid of antisocial behaviour. It just makes these people more bitter. Therefore, although such punishment is only imposed rarely now by judges as part of sentences, I say it would be a sign of maturity on our part to remove from the statute books those provisions having to do with the imposition of corporal punishment. For these reasons I am in favour of the principle of the bill.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I want to compliment the hon. member for York-Scarborough (Mr. McGee) on his pertinacity in pursuing this matter and in presenting this particular bill. I must say I am somewhat surprised at the attitude taken by the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets). As I understand his position, it was that unless we can have a colossal production, unless we can have an epic approach, unless we can deal with this matter on the grand scale, why should we worry about it at all? If we waited for conditions like that to deal with any of the multifarious problems that afflict us, I am afraid very little progress would be made in our human affairs.

This is bad legislation on our statute books and I think no better proof can be found than the statistical information which has been given to us. If I may refer again to the report which was referred to by other hon. members, we find that in 1930 there were 1,143 cases where corporal punishment might have been awarded and such punishment was actually awarded in 95 cases or 8.3 per cent. Next year the figure rose to 12.1 per cent. We come down to 1954—this information has already been given but I wish to put it on the record again—and we find that there were 2,344 cases where corporal punishment might have been awarded and that such punishment was only awarded in 14 cases. This indicates the trend that has been pursued. Surely there can be no better proof as to the futility of this particular form of punishment.

I have discussed this question with judges and magistrates whose duty it is to decide upon sentences. I may say it is one of the most difficult and onerous responsibilities that falls upon a judicial officer when, after having come to the conclusion that a certain person is guilty of a criminal offence, he is faced with the very important problem of deciding what the punishment is to be. These are men who have had great experience with regard to the imposition of sentences. There must be a very large measure of wisdom residing in them as a result of the performance of their duties over a great many years. If in their wisdom they have come to the conclusion, as manifested by these figures, that the awarding of corporal punishment is not a suitable or sensible punishment in respect of certain criminal offences, then surely that speaks for itself.

So far as corporal punishment is concerned, we stand in the company of such countries as the United Arab Republic, the Union of South Africa and one or two others. I understand that the state of Delaware is the only state in the United States to retain this form of punishment. For us to retain this barbaric punishment upon our statute books in such company as I have indicated is to me an indication that our position has not been carefully considered. With any punishment of this nature which is repugnant, which is so opposed to our concepts of humanity and to the norm of human behaviour, I suggest that the onus should rest upon those who urge the retention of the punishment to establish beyond any reasonable doubt that it serves an effective purpose. In my opinion this has not been done nor can it be done.

I should like to make this suggestion. There will be an inquiry by the committee which the Minister of Justice has announced, for which I must compliment him, and I suggest that consideration might be given, without actually repealing the legislation, to abolishing corporal punishment for a temporary period so that there will be some opportunity to observe the results. I think that a suitable period might well be during the time when this commission is making its inquiries.

I know there are others who want to speak on this subject. There is much more that I

should like to say. This is a difficult question because we find it hard to disentangle the skeins of emotion and reason, of fact and fiction, when dealing with an emotional problem of this kind. I should like however to refer to a reasoned and rational exposition of the subject in a book entitled "The Gallows and the Lash?" written by Mr. W. T. McGrath, secretary of the delinquency and crime division of the Canadian welfare council. After a lengthy and quite learned exposition Mr. McGrath concludes by saying:

> Corporal punishment does not deter potential criminals and, far from reforming the individual who received it, instils a desire for revenge that retards treatment.
>
> Canada is practically the only civilized country that still retains corporal punishment as a sentence under its criminal law. A few other countries still retain the lash or the strap to enforce prison discipline, but the fact that the majority of civilized countries, including almost all that have advanced prison systems, get along without it, shows we do not need it. It may well become a substitute for more progressive means of dealing with the situation.
>
> Corporal punishment has fallen into disuse in Canada,—

This illustrates the point I sought to make before.

> —and is used so infrequently that in his planning no offender could seriously consider the risk of such a sentence.
>
> The lash and the strap should be abolished—

And to that, sir, I say amen.

Mr. Jack Wratten (Brantford): I have to speak as a result of one or two experiences I have had in connection with this subject. I associate myself with the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) who said that he would have to vote against this bill. If a vote came now, I would do the same.

I believe that corporal punishment is a deterrent to crime, and I believe this as a result of one or two experiences I have had. I listened with interest to the hon. member when he said that, in Ontario, they have taken the strap away from the magistrate. Certainly we know it has been taken away from the school principal and the teacher. I believe that is one of the reasons we have so much juvenile delinquency in our province today. There is no doubt in my mind but what hon. members in this house, at some time or other, were chastised, perhaps rightly so, and learned a good lesson, one that they did not forget. I should like to read part of an article that appeared in a newspaper the other day. I quote:

> One reason there are so many delinquents today is that their dads did not burn their britches behind them.

I think that quotation is applicable to this bill before us today. I should like to refer also, Mr. Speaker, to an article which appeared in the Toronto *Star*, the weekly magazine section, written by a chap who visited Kingston penitentiary. There is one paragraph I should like to read, and it is as follows:

> I also found—and surely this is strange—that whereas many men expressed regret for what they had done, they were primarily concerned with their misfortunes, their problems, their future. "The jailhouse conscience is like jelly," somebody said, and this seems to be true. For not one prisoner that I met showed any interest in or concern about the people he had robbed, cheated, beaten or killed. The one possible exception was a modern Robin Hood. "I never stole from a poor man," he said.

Now, Mr. Speaker, if the abolition of corporal punishment is going to do as much good as we have heard some members say it would today, why has it had no effect on these men who have been incarcerated? It does not seem to have had much effect on them because, although they are in prison, they have not been subjected to corporal punishment.

I recall very vividly an incident that happened some years ago. A youngster who lived not too far from me got into trouble with a gang of boys who broke into a house. He was caught and taken to magistrate's court. I was with his father when the sentence was pronounced because the man was deaf and could not hear. The magistrate said, I can either put him on suspended sentence and have him report to a probation officer or I can have him strapped. Which do you prefer? I said to the father at the time, I think the best deal here is to let the boy have a good strapping; perhaps it will smarten him up quicker than anything else. This is what happened. They boy never got into any trouble afterwards. Today, he is a father of a family and is an exemplary citizen of Brantford.

They talk about corporal punishment not being a deterrent. Some two or three years ago, there was a murder committed by four young punks here in Ottawa. This is what Judge Allan B. Fraser had to say when he was talking to an association, and I quote from a newspaper article:

> Judge Allan B. Fraser said yesterday that corporal punishment was used in the case of one of the young defendants in a recent murder trial in Ottawa.
>
> The judge of the juvenile and family court of Ottawa and Carleton, speaking to the engineers' wives association, said that while the defendants were in jail awaiting trial "they were still pretty cocky".
>
> "Finally they used corporal punishment on one of them and it worked wonders."
>
> The warden of a jail is empowered to use corporal punishment on prisoners if it is thought necessary.
>
> Judge Fraser said he favoured corporal punishment "when all else fails".

"The boy came up and thanked the authorities afterwards", said the judge. "He said that if his parents had done the same thing earlier he wouldn't have been where he was."

This is just one incident, Mr. Speaker, that I think bears out the belief I have that corporal punishment is a deterrent to young people. I should like to refer to another article that appeared in the London *Free Press*, and which refers to a meeting of the law enforcement officers of Essex county. They came to the conclusion that the young criminals considered Essex county magistrates lenient and treated the suspended sentences they frequently hand out as a joke. The majority of law enforcement officers in the area are in favour of using the whip to deter young criminals.

May I call it six o'clock?

Mr. Speaker: The hour for the consideration of private members' business having expired, the house will revert to the business which was interrupted at five o'clock.

SUPPLY

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

DEPARTMENT OF LABOUR

Technical and vocational training assistance—

636. To carry out the purposes of the Technical and Vocational Training Assistance Act and agreements made thereunder—payments to the provinces—further amount required, $28,400,000.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Pitman: Before the recess, Mr. Chairman, I tried to indicate, although we do need technical and vocational training, what this program most needs. First of all we require to put these things in an order of priority. I tried to indicate that there has been no sensible, rational, planned order of priority whatsoever; that we are putting the money in the wrong place and using it in the wrong way.

One of the areas in which I think it is most unfortunate the way this program is being carried out is that of trained teachers. Surely the whole thing depends upon the kind of trained teachers we have. This is a tremendous problem, because when you have a poorly trained working force or a less skilled working force you have even fewer people from which to draw for the jobs which require skills. This, again, was put very well by Mr. Bridge in the speech included in the document to which I referred this afternoon. He says:

There is an urgent requirement for the development of vocational teacher training programs in Canada to provide both basic and advanced professional training for the growing numbers of teachers who will be required.

In this respect I would comment that surely this was one of the first things that should have been done. Once the needs have been determined, once the courses and the whole program had been determined we could have begun to train the teachers, and then perhaps we could have begun to put up the buildings. At the present time there is a serious shortage of adequately trained instructional staff; that is, before this program was even started there was a shortage, and with the building of additional facilities this shortage will become more serious. An estimated 1,000 to 1,500 additional, trained technical and vocational teachers will be required during the next ten year period. I can assure the committee that certainly they will need more than 1,000 or 1,500 now, with the number of buildings that have been put up during the last few months. I continue reading from this speech by Mr. Bridge.

The programs for training vocational teachers in Canada have never been well developed. The need does not justify a college for training vocational teachers in each province but there is ample need for at least four such training centres, one for the four western provinces, one in Ontario, one in Quebec, and one in the Atlantic provinces.

How much of this tremendous amount of money which we are putting aside for vocational education has been assigned to the training of people to put this program into effect? I would suggest it is a very, very minimal amount, and this has caused a tremendous amount of chaos and disruption in the teacher training programs in each of the provinces. This was not adequately prepared for, and these are the problems you get when you try to put crash programs into too many educational media. Mr. Bridge continues:

Provision should be made for these vocational teachers to advance to degree level in vocational education if they so desire.

There is also a shortage of supervisors and administrators for these programs.

In Bill No. C-49, which I am sure all hon. members have read, there is provision for the dominion government to pay half of the cost of training those who are going to be teachers, administrators and supervisors in this whole program. But there again we are doing the thing backwards; we have not laid enough emphasis on this area, and instead we have been subsidizing, virtually, the educational program in Ontario to a large extent. Mr. Bridge continues:

These persons usually come through the ranks of the vocational teaching staff but they require training which will prepare them for the responsibilities of directing programs and improving the standards of instruction.

The last thing I would like to say is that we have had no proper national approach to this problem. I say this with all humility, because this is a tremendous problem; it is a tremendously complex and complicated problem, but that does not mean we should throw up our hands and simply distribute money and let somebody else handle the problem who is in a far worse position to deal with it. I refer to the local municipal school boards. I say that in many cases we have disrupted the whole educational approach. There has been over the years, especially in my own province, a decision which means that people in the outlying areas who need vocational training shall be brought into the larger cities.

Hon. members who come from rural areas will say, "Good heavens; surely people who live in rural areas have the same right to vocational training as those who live in the urban areas". Certainly they do; but we cannot always give the best vocational training by putting up a school at their back door. The best way may very well be to bring those people by bus or various methods of transportation into an area where they can get a far greater diversity and higher level of training than if they simply put a school into a rural area.

Mr. Pallett: Oh, just move everybody into Toronto.

Mr. Pitman: Holy smoke, what an inane, silly remark from the parliamentary secretary, "Just move everybody into Toronto". Surely the parliamentary secretary has something better to do at this time than sit there and make a silly remark like that. Perhaps he should go out and have another fight with the Voice of Women.

Anyway, the rural school boards find themselves in this position. Some of them find they are at present sending their students into an urban school and they have to pay some percentage of the capital cost of the city school system. But what happens? The federal government comes along and says: "We will pay 75 per cent of the cost of the building" so you have virtually a free building. They can either pay some percentage of the capital cost of the schools in the urban area or they can have their own virtually free institution. This is like a misguided philanthropist who wanders into an African village, puts up a university and walks off and says, "This is wonderful; haven't I done a great deal for these people?" They do not define how they are going to find the people to man the university or how they are going to pay for it. That is not his problem. He simply walks off the scene. There are several examples which could be given of this kind of observation. I could use one which is not too far away, in the area of Pelham. The normal development of this area would be the enlargement of the Thorold-Fonthill high school which is on a quiet 30-mile road. But what happens? The county is putting up another high school on a 60-mile highway. How they are going to pay for this they do not know. The Robarts system is to keep costs down. There has been some discussion of this. It has been taken up in the press. I could draw the attention of the committee to an article in the *Evening Tribune* of January 23, 1962, in which one of the members of the board is reported to have stated:

We know how much a classroom costs but nobody seems to know what it costs to operate it.

That is a surprising statement and it is even more surprising that the chairman of the board should write in a letter to the Fonthill *Herald* on January 30:

As to the cost of operating the new school, no one knows at this time. We have good reason to believe that there will be additional grants, the only guide we might have would be our cost of vocational training at other schools compared with our cost of academic training at the same school.

As to having reason to believe there will be additional grants, hope springs eternal. I trust he has an indication that there are going to be some additional grants from the federal government because, believe me, they certainly will need them.

I should like to end my remarks with a number of constructive suggestions as to how we could salvage, I use that term advisedly, what we have been doing over the last two years. We know we have spent some $269 million, including the federal share—away over anything we had ever expected to spend in the next ten years. Now I think is the time to take a serious look at what we have been doing and the way we are going. I would be the first to admit that as long as we accept the belief that government responsibility has no concept of planning and looks upon the economy as a whole as a mass of wild horses going in every direction, it is going to be hard to plan an efficient training program for that kind of economy. I understand the difficulty that this creates. However, I think we could make more enlightened guesses than we have been making over the past year and a half. The first thing we should do is to put on the records of this house exactly what the needs were. Surely, we could get that information from the provinces, because we are paying enough; find

out exactly what the facilities are in those provinces, and how they are being used at every school level. I think knowledge is the first thing we must have if we are going to plan this properly. We should have had it on the debate on the bill last fall but we did not, and now perhaps we should sit back and find out where we have gone and where we are going.

Second, we should take off the deadline. There is a difference between building schools and building sewers. There is a difference between sewage and students. There is no point in putting deadlines which force departments of education to go on at breakneck speed to do things because they have to get them up to get the money. Third, we should put the priority on expenditure in training those who are now unemployed. We should put up a system of education or, at least, trade schools to get these individuals retrained. Fourth, a great effort should be made to find out exactly where the work force is going. We cannot talk about this intelligently at the national level before we know this.

How are the boards of education in any province of Canada to be expected to provide education for the future if we do not know where the future is? That is a matter of some concern to me. Fifth, we should recognise that job retraining is a continuous process. I have found from my own experience that it is possible to put a school up, but more difficult to get the kids into the course. As long as we in Canada believe that every individual has a right to decide on the course he is going into, that is more difficult. I agree, and I believe we all agree, that we do not want to force them. We have to find some means of educating the parents to get their children to go into these courses. In my own experience we have had shops which have been three quarters full.

The technical teachers themselves are concerned about this program. They do not want to see some half-hearted program which is going to undermine all the efforts they have made to build up a prestige for technical education. We still think far too much in terms of academic education. We need a program of public advertising in the best sense to bring the advantage of this training to everyone likely to need it. I think, also, we have to decide on a system of sustaining grants to these institutions. It is not good enough to put up a building and leave a municipality with a great pile of ruins without deciding how they are going to be staffed adequately, how they are going to be equipped and how the equipment is going to be kept up to date.

I have suggested five or six things which perhaps could be done to salvage what we are doing now. If we do not do this, we are doomed. We shall have buildings unrelated to our employment needs. They may be training people for the wrong employment opportunities. We may have inadequate instruction; we may have courses completely irrelevant to the kind of work these people are doing; we may have a fragmentary vocational system in many parts of this country; we may have disillusioned it about technical education and it may take years to restore confidence. We may have thousands of unemployed, along with many thousands who realize that their skill are running out and that they would be virtually impossible to place in industry if new machines should make their present skills unnecessary.

This may sound pessimistic. I hope this government will make a full scale effort to recover the loss of ground that has taken place in the last few years.

Mr. Pallett: Mr. Chairman, I did not intend to participate in this debate but after listening to the footle of the hon. member for Peterborough, which was subscribed to by the hon. member for Trinity, I feel that some of the erroneous statements that have been made should be corrected and that some indication should be given to these hon. gentlemen, particularly the hon. member for Peterborough who I understand is a pedagogue, of what is involved in the technical training educational system and the purpose of the participation in it by the federal government.

These estimates cover expenditures under technical and vocational training agreements with the provinces. The hon. members for Peterborough and Trinity seem to think the province of Ontario is not entitled to share in this program as the other provinces do. Their statements this afternoon appeared to express an objection to any benefits going to Ontario, and it is interesting to note—

Mr. Hellyer: Would my hon. friend permit a question? Is the hon. gentleman saying that the federal government now has jurisdiction over secondary education rather than the provinces?

Mr. Pallett: I suppose it is not very flattering to me but by his question the hon. gentleman indicates that he has not listened to or read any of the speeches I have made in this house on the subject of education. If the hon. gentleman would take the trouble to peruse the record he will find the answer to that question in clear terms.

Mr. Hellyer: Why not briefly and succinctly give it to me now?

Mr. Pallett: I shall resort to one syllable words if that is the wish of the hon. gentleman, so he may fully understand our position in that regard.

Mr. Chevrier: Send us a letter.

Mr. Pallett: We are dealing with technical and vocational training. I suggest that the hon. member for Trinity has no conception of what are the responsibilities of the federal government in relation to this type of education—if there are responsibilities—on the basis of what he said today with respect to the apprenticeship training program of Ontario, which has nothing to do with the federal government and is irrelevant to the item before us.

Mr. Hellyer: It certainly does.

Mr. Pallett: The hon. gentleman's statements also indicate his complete lack of knowledge of the training program that is being conducted under the act, through the operation of trade schools that are operating not only by day but also by night in the province of Ontario, and that are available to the unemployed workers of this country.

I was astounded at the lack of knowledge of this subject revealed by the comments of both hon. gentlemen. I was astonished at their failure to read newspapers, to visit these schools, to talk to people who know something about the programs and processes that are going on. Despite their lack of knowledge hon. gentlemen stood in this chamber and made statements that were far removed from the facts. If they were not innocent—I suppose that is the correct word—I would accuse them of being intentionally misleading, but I would not wish to go that far.

The hon. member for Peterborough suggests we have a grand plan. In a recent speech in this house I heard the hon. gentleman say that his theory is to move workers from spot to spot.

Mr. Pitman: Reference?

Mr. Pallett: I will give the hon. gentleman the reference if he wishes it.

Mr. Pitman: May I ask the hon. member a question?

Mr. Pallett: I would be delighted.

Mr. Pitman: Does the hon. member realize that the Department of Labour has moved and is moving workers from area to area? Does the hon. gentleman know that is taking place under the jurisdiction of the Department of Labour?

Mr. Pallett: There is quite a difference, Mr. Chairman. The workers the Department of Labour moves are those who request transfer from areas that are declared labour surplus areas. The hon. member in the speech he made, which I suspect he will have occasion to remember far into the future, said nothing about the voluntary movement of workers from area to area. He was speaking of compulsory movement, which is in line with socialistic thinking.

The hon. member spoke about a grand plan and said we in this chamber should anticipate what the state of the nation will be 40 years from now. No one anticipated ten years ago that a group of parliamentarians would adjourn to watch a trip around the world by Colonel Glenn in a space capsule; and yet that trip was delayed while a bolt holding the door was repaired by the skilled hands of a workman. That is what this program does; it puts skills in the hands of future workmen.

The hon. member for Peterborough made a categorical criticism of all boards of education across the country. He refuses to recognize that these are the people who correctly assess the needs and who have surveys made. He may not be familiar with this fact because probably he has not sought out the information—and I say this to the hon. member for Trinity as well—but in the metropolitan Toronto area, for instance, the following questions were put not to hundreds but to thousands of industries: If you had skilled workmen available today, how many would you hire? How many would you hire in five years? How many would you hire in ten? All this information is available to boards of education—

Mr. Pitman: Do you call that research?

Mr. Pallett: This information is gathered from those who will be employing and training these skilled workers. These are the people who comprise the strength of the free enterprise economy which, of course, the hon. member for Peterborough cannot understand. Part of the purpose of education is to fulfil the social needs of future society. This applies equally in the technical field.

Of course, the hon. member would not understand that consideration has been given to these questions by boards of education. Each area board of education or trustees first determines its own needs. Each area need is carefully checked by a high school inspector who is familiar with the locality. Of course this may not suit the hon. member who is a member of the teaching profession. By implication he is saying that the boards and inspectors themselves are not capable of doing what must be done, that they do not know what they are talking about, that

they are making recommendations dishonestly. That is what he is saying. He indicates that they are not assessing properly the educational needs of the young people in their recommendations to the departments of education, that they are giving false service. That is what the hon. member said today.

Every sentence of criticism, every suggestion that the money is being taken for purposes other than that prescribed, is a condemnation not only of the provincial boards of education but also of the inspectors who approve the programs. And then the hon. member condemns every public servant of the provincial departments of education who approves the plans and the program and makes his submission to this government. This afternoon the hon. gentleman engaged in a blanket condemnation of the people engaged in the educational systems of every province and more particularly his own, and all his remarks were subscribed to and echoed by the hon. member for Trinity.

Mr. Hellyer: Those are your words not mine.

Mr. Pallett: Your speech is on *Hansard*.

Mr. Hellyer: Yes, my speech is.

Mr. Pallett: The first words of the hon. member for Trinity were words complimentary to the hon. member for Peterborough on the speech he had made and on the accuracy of that speech.

Mr. Hellyer: It was certainly a lot better than yours.

Mr. Pallett: The hon. member for Trinity to my way of thinking completely endorsed all the remarks made by the hon. member for Peterborough.

Mr. Hellyer: I am prepared to allow the people of the country to interpret my speech for themselves. They have learned to read, you know.

Mr. Pallett: And so we had the two of them, Mr. Chairman, and also some of the other socialists condemning every person who has anything to do with the educational systems in the provinces for accepting and carrying out this program.

Mr. Regier: Are there no teachers among the Tories?

Mr. Pallett: What did the hon. member say?

Mr. Regier: Is there not a teacher in the Conservative ranks who knows what he is talking about?

Mr. Pallett: I would point out to the hon. member that the Minister of National Defence was once a teacher, as was the Minister of Agriculture.

I believe the Minister of Trade and Commerce, or rather, the Minister of Veterans Affairs was once a teacher.

Mr. Pickersgill: Did you say the Minister of Trade and Commerce?

Mr. Pallett: I said the Minister of Veterans Affairs.

Mr. Pickersgill: I ask, because that would strain our credulity.

Mr. Pallett: Other members of the government, the Minister of Northern Affairs and National Resources and the Minister of Mines and Technical Surveys, were university professors.

In any event there is no monopoly of members of the teaching profession in the group which the hon. gentleman is a member. There are in this party those who are fully capable of playing an important part in the free enterprise system and of instilling in our young people a proper belief in the future of their country. That is why I suggest that the remarks of the hon. member for Peterborough dealing with the subject must be regarded as an indication of a complete misunderstanding of the program by a person who should have an understanding of it. He talks about the program in Ontario not providing the type of training that it should provide. Both he and the hon. member for Trinity indicated a complete lack of understanding of the Robarts system, if you like to call it that—

Mr. Hellyer: Oh, of course.

Mr. Pallett: —or of the three streams: the scientific technical and trade stream; the business and economics stream; and the arts and sciences stream. These are things which a teacher who is very soon going to be engaged in the full time occupation of teaching should be prepared to discuss in this chamber with some knowledge, rather than to criticize those people who are endeavouring to do important work in the provincial field in order to educate the young people of this country. The hon. member says, "What about the rural areas"? He objects to our giving, in co-operation with the provinces, the opportunity to these young people to—

An hon. Member: No.

Mr. Pallett: I can only go by what the hon. member says. If he says he is wrong, that is all right. If he wishes to take it all back, and if he will stand up in this chamber and will retract everything he said, I will sit down.

However, he will not do that. He says we are wrong in giving an opportunity to the people in the rural areas. He says that we are wrong in providing accommodation so that they may fit into a technological age. He would uproot them from their homes and transport them to one central place.

An hon. Member: Nonsense.

Mr. Pallett: This is, of course, the system the socialists like. They like to get them all under one roof so they can take them away and put them under their own influence. They like to get them away from their homes and centralize them. This is socialist thinking. To them it is not right that the rural communities can train their people at home for jobs of the future. The hon. member talks about decentralizing industry. I have heard him say this in this chamber. Yet today, with regard to the very thing that will help this come about by training people in all the areas of Canada, he is objecting. Let us get the hon. member to be consistent in what he says.

An hon. Member: You could not possibly do that.

Mr. Pallett: That may be so. It may not be possible to get him to be consistent.

This is a good program, Mr. Chairman. It is a program designed to train the young people of this country to take their position in the society of the future, as the people who are skilled in the administration of education in this country see it.

Mr. Peters: It is designed only to build schools and nothing more.

Mr. Pallett: My hon. friend, who says he is a great authority, does not know, for instance, that in Ontario today 300 teachers are being specially trained to take part in this program, with 300 about to be trained especially in this program.

Mr. Regier: A six weeks course.

Mr. Pallett: It is not a six weeks course. If the hon. member for Burnaby-Coquitlam will stand up, if he is capable of doing so, and make his speech at the proper time, he will be allowed to do so. However, interruptions such as the one he has made are not only contrary to the rules but are also inaccurate. I should draw that fact to the hon. member's attention. It is not anything like a six weeks course to train the teachers. The people in this group to the left of you, Mr. Chairman, just do not know what is going on in this training program; yet they are the people who stand up and profess they do know. This is what prompted me to speak, Mr. Chairman, I did so in order that the committee would not have unchallenged before it first, statements condemning every educationist in the provinces, and more particularly in the province of Ontario; second, completely inaccurate statements as to the program of training for the teachers; and third, to show the attitude about the future of the country, trying to decry the young people, and by the criticism of this scheme, trying to keep the young people out of it.

The hon. member for Peterborough said there will not be enough people to fill these schools. From where is he getting the information? Surveys are conducted by the boards of education of this province, who make recommendations on the basis of questionnaires answered by the students in consultation with their parents. Oh, he looks surprised. He does not know this is happening. He just does not have any idea of this happening, namely that the recommendations of the board are made on the basis of questionnaires answered by the students in consultation with their parents. After all who makes the final decision as to the education? It is the students in consultation with the parents.

Mr. Peters: Before they go to high school?

Mr. Pallett: No, not before they go to high school; it is both before and after. Again, Mr. Chairman, the interruption indicates a complete misunderstanding. They have their choice of the three streams. They can get into one of the three streams. At the end of the first year they can go to whichever one they wish, without any loss of educational time. That is an advance program. Oh, the hon. member for Port Arthur laughs. I suppose it is the laugh of the cynic. It fits him very well, I think. In their cynicism they refuse to give credit to a good program and a sound one. It is, of course, one which they are incapable of comprehending because it contains some imagination and something that will actually benefit the young people of the country. They may criticize, Mr. Chairman, but let us see what their people at home say about their criticisms. That is the final test. I have never heard one person in the educational system and charged with the responsibility of administering education in any province criticize this measure.

Mr. Hellyer: They would probably not get very far if they did so.

Mr. Pallett: The hon. member for Trinity speaks from his seat, probably indicating that he has more brains there. I think that all members may lay some claim to some knowledge about education in the provinces; and I have never heard one suggestion from a person in the educational system in a province criticizing this scheme.

Mr. Chevrier: I have listened carefully to what the chief whip has said, Mr. Chairman. He has spoken for nearly 30 minutes, although I am mindful of what we were told this afternoon by both the Minister of Finance—

Mr. Montgomery: Why don't you sit down then?

Mr. Chevrier: —and the house leader to the effect that we on this side of the house were holding up these estimates and that people were going to be unpaid because of the fact that these estimates were not going through.

Mr. Montgomery: That is very true.

Mr. Chevrier: Somebody said, "That is very true". If that is very true, then those who sit on the other side of the house certainly are not assisting in passing these estimates and in seeing that these people are being paid or are about to be paid. I am therefore getting curious, Mr. Chairman, and I should like to find out from the Minister of Labour if he can tell the committee whether the government has run out of money on this estimate. I think the house is entitled to know.

Mr. Starr: I will answer that now, Mr. Chairman. When we first put in an amount we could not properly anticipate what the exact amount would be, but now that many of these buildings are under construction and payments have to be made this is the amount required to carry on up until March 31.

Mr. Chevrier: That is exactly the point. I have asked a question but I have not received an answer.

An hon. Member: He said yes.

Mr. Chevrier: If that is the case, and I thank the member for that interjection, I think the house is entitled to know what is being held up. Where are the buildings that are being held up? Where have you had to stop construction? The house is entitled to know because after all the Minister of Finance made it quite clear that he did not want to curtail debate directly in any way, although by inference that is exactly what he was trying to do. He did not want to curtail debate but he wanted the house to know how some of these people were going to be affected both directly and indirectly.

These estimates have been held up for the last 30 minutes by the chief whip, and I think the house is entitled to know far more than the minister has told us. I submit with deference, sir, that the minister should answer the four questions I put on this item with regard to where and how the money is being held up.

Mr. Pickersgill: Is the minister not going to answer?

Mr. Chevrier: Is the minister not going to answer those questions?

Mr. Starr: I do not know what the member for Laurier means by the money being held up. This is an estimate on the part of the department as to the amount of money we will need up to March 31st to reimburse the provinces for expenditures they will have incurred up until that time, and nothing more. It is based on information we have been able to get from the provinces.

Mr. Pickersgill: That is a most ridiculous answer. What we were told by the Minister of Finance today was that people were not going to be paid if these estimates were not passed immediately. We want to know who is not going to be paid if this particular estimate does not pass. We do not really have much confidence in these broad statements of the Minister of Finance, and with very good reason. Ever since that affair last summer we know what value is to be placed on statements made by the Minister of Finance—

Some hon. Members: Order.

Mr. Pickersgill: —and everybody knows what I am referring to. We also know the kind of language that the Minister of Finance would have used about this matter, language that I would not use at all; but what I am saying is, let the minister tell us who is not being paid because the money in this item has not yet been voted. Who is it that is not being paid?

An hon. Member: The provinces.

Mr. Pickersgill: What job is being held up? Let the minister answer that question or by his silence show that in this particular at any rate it was just another big bluff by the Minister of Finance.

Mr. Bell (Carleton): A totally ridiculous speech, as usual.

Mr. Pickersgill: You asked for it. That great bluff comes in here—

Mr. Bell (Carleton): The hon. gentleman has done nothing else but bluff.

Mr. Chevrier: Don't you become like the Minister of Finance.

Mr. Pickersgill: If I can only provoke the parliamentary secretary into talking for another 30 minutes—

Mr. Fisher: Mr. Chairman, I hope all these remarks are getting on the record. Perhaps the best way for me to begin my remarks on this item is to say that I received a letter last September from the minister informing

me that a new vocational school was going to be built in Port Arthur and the contribution of the federal government was going to be approximately $1,700,000. It is a crash program and it is anticipated that the school will be ready this September. The federal government in effect will be putting up close to two thirds of the cost of the school, which will be around the $3 million mark, and the provincial government is putting up most of the rest.

It is said that you cannot vote against Santa Claus or you cannot kick Santa Claus in the face, and I realize that in trying to make an analysis based upon something in my own city I may stand in some danger of being misinterpreted or my views may be warped in much the same way that I felt the chief whip was twisting some of the views of the hon. member for Peterborough. However, I should like to offer some comments as a taxpayer in my own city, and as a teacher. As a matter of fact, I was offered a job in this school and it would be a good place to work.

I have taken an interest in the educational program in the city and I know something about it. I should like to emphasize that I have talked to the members of the board of education, the secretary of the board and the principals in the city, and as a taxpayer I am delighted that the city of Port Arthur through the board of education is getting what amounts to a $3 million high school without any capital outlay on the part of the taxpayers of the city of Port Arthur. I am delighted with it from that point of view. But I ask myself this question. How does this fit into a program of improving the technical qualifications of the students in my own area and, if this is part of a national plan, in the nation as a whole?

I understand that the school is going to have 61 classrooms. I know that there will be an electrical shop, a sheet metal shop, an automobile engineering shop and a woodworking shop. There will be general academic courses, business or commercial courses and courses in the shop or industrial subjects. I know that the school system in Port Arthur will experience difficulty in getting students to take the industrial and commercial courses because of the fact that the general course, from my understanding and following of the situation, has always tended to be and continues to be much more popular than industrial courses, and with very good reason, I think.

The hon. member for Peel indicated that one of the critics in this group was not aware of the statistics or the pattern with regard to what students were interested in. It is very hard to keep up to date with educational statistics in Ontario because the annual report is always 18 months to two years behind time. The latest one I have been able to get is 1958. However, 1958 is not too long ago, and here are the figures respecting the enrolment of pupils in secondary schools in Ontario by courses: General, 170,000; commercial, 29,000; industrial, 20,000; home economics, 465; art, 659; special industrial, 1,308. It is very obvious from these figures that in the province of Ontario there is a tremendous preponderance toward general courses, and in this regard I want to suggest that there are both poor and good reasons for this situation.

As a teacher one good reason I should like to suggest why the general course is much more efficacious for children in grades 9 to 12, children between the ages of 14 and 18, is that in those adolescent years it is extremely difficult to carry on any kind of effective trade training. I should like to illustrate that from my own experience. I started teaching school and doing library work in an academic high school and I thought teaching was a wonderful game. Discipline was not hard, the hours were regular and the students usually had their homework done. Through a couple of accidents of fate I found myself teaching for a few weeks in a school that had a number of industrial, business and commercial courses. Suddenly I found myself up against what the hon. member for Trinity referred to this afternoon. In effect I was a sort of high priced loud shouting baby sitter because the atmosphere of the composite school with a great many students taking industrial courses is not one of study. It is extremely difficult to develop an esprit de corps and a real concern with education in that kind of school. The hon. member for Peel may not believe me but I wish he would talk to some of his teacher friends about this matter. It is a very real problem. It is one of the reasons why in my own city so many parents do not want their children to go to schools offering industrial courses or to take industrial courses.

We had a situation in the city of Port Arthur, Mr. Chairman, where we had one academic high school and two composite schools. There were parents who went to the trouble of selling their homes in order to move 100 yards to be within the boundaries of an academic high school, so their children could take general courses rather than have to go to these composite schools. Now, I regret this attitude, and I still regret it in any community—this looking down upon technical training and vocational training. However, it is a very real problem which exists, and these

figures from 1958 confirm it. From what I have seen of the mores of Ontario parents and children, it is not a regional attitude.

One change that has come on the scene has been the Robarts plan to which the hon. member referred. I am not going to sound off with any criticism of the Robarts plan, not because I do not have any views upon it. I am critical of it. I am critical of it for reasons that have already been indicated. I can perhaps give a most general criticism from a rather excellent study by James S. Coleman entitled, "The Adolescent Society". I want to stress one paragraph which I think is germane, in a very general way, to this problem. I quote:

> In sum, then, the general point is this: our adolescents today are cut off, probably more than ever before, from the adult society. They are still oriented toward fulfilling their parents' desires, but they look very much to their peers for approval as well. Consequently, our society has within its midst a set of small teen-age societies, which focus teen-age interests and atttitudes on things far removed from adult responsibilities, and which may develop standards that lead away from those goals established by the larger society.

Now, getting away from the sociological language, the author is saying, in effect, something with which I believe everyone can agree. We have created in North American society today, a teenage, adolescent world. These teenagers are finding it extremely difficult to accept adult responsibilities and attitudes, for example, towards job training. One of the consequences is the lack of success of technical and vocational programs for students in grades 9, 10 and 11. This is one of the main criticisms that has arisen of the so-called Robarts plan. Of course, one has always to acknowledge that most people thinking of educational programs are activated by the best intentions in the world. I feel that the Robarts plan will flounder on this very point unless it is postponed at least until ages 16 or 17 when you can begin to make some impression on the teenager or adolescent about gearing his educational program towards occupational goals beyond the school.

This argument may seem extremely theoretical to hon. members, but I assure them it is not. I have done enough supply teaching in the past few years, visited enough schools and enough teachers' rooms, talked to enough teachers, to realize that this is a very real, live problem. It underlines the tremendous technical and vocational training programs at the secondary school level. I expressed this concern when this measure was originally introduced. I recall at the time members telling me that surely this was a means of getting the federal government into the educational field; that this was tremendously worth while, and one could put aside one's worries to see how the program worked out.

I come back to being a taxpayer in the city of Port Arthur. I am delighted that our tax load is not going to be so heavy because we are going to get a 61-room high school which —I will argue this and I will insist upon it —is going to house a majority of students in general courses rather than technical or commercial courses. I am sure this will be the situation, knowing the statistics as I do and the attention in my home area. This would be fine if it were the real purpose of this program; but is the purpose of this program to ease the burden on our local school boards across this country? Judging by the statistics, particularly for Ontario, if this is the intention I can only feel that the school boards and taxpayers in Ontario have had a tremendous bonus. I wonder what would have happened if other provinces had answered the call, had been prepared for the call, had been spurred by the Robarts plan to take advantage of the plan in the same way as Ontario has? Our debt this coming year would be fantastic. Look at the figures. The federal share for Ontario is $124 million and for Quebec only $5 million. As hon. members from Quebec know, there are tremendous changes and increased expenses in the educational system of that province. However, Quebec only picks up $5 million under this plan, while Ontario gets $124 million.

Well, I have never been the kind of Canadian who could take great delight in seeing my particular part of the country get the lion's share and another part of the country go without. I made some inquiries from some people I know in the province of Quebec. I asked, why is it Quebec is only picking up $5 million and Ontario is getting in for $124 million? The obvious thing is to say that the Ontario government is on its toes, and the Quebec government is not on its toes.

Some hon. Members: Hear, hear.

Mr. Fisher: I think that is too simple an explanation. The explanation that I would give is that Quebec felt it could take advantage of this scheme only to this extent because it was taking money only for schools that were properly and completely technical training institutions, that is they did not offer general courses or anything like that. They were completely technical training institutions such as the Ryerson Institute and schools like that. This is what I really thought we were going to get out of this measure, Mr. Chairman. We have a tremendous need for this kind of program. However, I support the hon. member for Peterborough completely in his statement that at the moment we do not have this tremendous need for courses in woodworking, metal work, electrical work, automobile mechanics, and so on,

for children of the ages of 14, 15 and 16. I believe this is where most of the money for Ontario is going, to provide the opportunity for schools offering general training.

Having said this about the situation, I think that we have to have an explanation from the minister of this fantastic, this tremendous gift or bonus or reward to Ontario from the federal treasury. The other provinces do not even come close to it. I wonder whether the minister would not acknowledge that in the response he has had to this program, particularly from Ontario, there has been a misjudgment. I wonder if he would not acknowledge that the deadline date of March 31, 1963, in itself, was a misjudgment? I should like to point out to the minister that he has been sent a copy of a report prepared in my part of the country on the advice of some of his own economists called, "Report by Northwestern Ontario Commission on Unemployment." Hon. members may be aware that our area is an easy one to study because we are isolated from all metropolitan centres. We are, in a sense, a microcosm of Canada that you can look at intensely, because we are not within the sphere of influence of any metropolitan area. This group of citizens, on the advice of the minister's economists, did this study and came up with some recommendations that I hope the minister is considering at the present time. I should like to put on the record a couple of the recommendations they made. They have just been going into this whole question of people coming into the labour force, training facilities and the school expansion that we have had. Among other things they want a regional advisory council, a regional economic conference, a resources inventory and a research oriented university. Then they come to this:

> The university should be capable of taking all our grade 13 students who can benefit from undergraduate study. Projections indicate there will be about 1,500 students from northwestern Ontario by 1966. Graduate research faculties will help industry to develop new methods and use untapped resources.

Then it goes on:

> Regional colleges of technology should be established to train people in the demand skills of the late twentieth century and increase the range of vocational, extension and night courses.
>
> Special courses should be organized to train people for jobs in potential developments so that developers in the area would be assured of properly trained, available personnel.

Then it continues:

> A vocational guidance and testing centre properly equipped and staffed by competent specialists should be established to fill a vital need in the region.

[Mr. Fisher.]

Those are recommendations of this group which indicate that they are concerned about the very problem this legislation is trying to meet. I suggest that this is primarily a problem in adult education or adult retraining, plus the establishment of technical institutions such as Ryerson on a much larger scale.

I regretted the tone of the remarks of the hon. member from Peel, because he seemed to suggest that people in our particular party were looking at the educational system very cynically. I would like to tell him that I worked for a few years in a technical institute that was taking people from grades 12 and 13 and first year university. This institute was giving courses for mining and forestry. I was always inspired by what took place with so many young fellows who came into that forestry school with very bad high school records. They took the technical course and began to come on. Then next they would be down in the university of Newfoundland or McGill or Toronto, going on to higher education; or if not, going out into the woods with an excellent job with security, and with a magnificent future. I have seen what effect a technical institute of this kind has on these young people.

I think there is not a school in Canada today that has had the success of Ryerson Institute of Technology in Toronto. That institute has made magnificent accomplishments in so many fields. But that is not what we are getting out of this money. We are not really getting this kind of response. What we are getting is secondary school classrooms in the main. I would like to see the focus go in this direction rather than in providing classroom space of the average secondary school kind, which is in the main what we are doing, which I think is perpetuating what has been an error in our vocational training since about 1913. If hon. members do not think this has been an error I would ask them to look at the Ontario statistics, where after 25 or 30 years of a vocational and technical training program we find that in 1958, 170,000 students were in the general course, only 29,000 in the commercial course and 20,000 in the industrial course.

We know that the goal of the general course is to eventually lead to university or technical institutes such as Ryerson. I would suggest that those figures are an indication that this program has gone off the rails and that something is very wrong with it. I think there is such a disparity here between what Ontario is getting and what the other provinces are getting that I would recommend to

the minister that he should immediately call a conference of the ministers of education in this country.

Last week the hon. member for Peterborough and I went down to visit the Canadian conference of education that went on for a week in Montreal. It was a rather confusing place to be, because so many of the delegates were dissatisfied or up in the air with various things. Repeatedly we heard—or at least I heard, and I think he got the same impression from a different lot of people—that there is a tremendous feeling that it was time the federal government took the lead in these matters. All kinds of obsequious remarks were made about the attitude of Quebec, but the feeling was—and anyone who read the Montreal *Star* of last week, which covered this conference magnificently, will find this to be so—that the federal government should show greater leadership in this field by making a national office of education. Repeatedly this suggestion was put forward. I think this was mainly because our efforts in education are piecemeal, haphazard and not directed or co-ordinated in any overall way.

I suppose the rebuttal to this is that this kind of planned approach is socialistic. I would like to make the point that it was a most popular approach that I found at the Canadian conference of education, and I am not so optimistic—whatever my party may be—as to feel that most of those people who were talking that way considered themselves socialist, even though this was the view they were expressing at that conference.

I would suggest that when you get educators in responsible positions such as Dean Leddy, Max Swerdlow, Kurt Swinton and people like that all recommending federal leadership in this particular field, it underlines the point that a program such as this, wonderful as it may have been in conception, is probably well off the rails because of the very disparity of the figures released of what expenditures have gone where, and to what province.

Mr. Chairman, I wanted to speak about a specific local situation that ties in with this. Two weeks ago I was in Elliot Lake speaking to a university women's group on the topic of education. Spontaneously from this rather large group in the community came the repeated suggestion—I can say to the Minister of Veterans Affairs that although I would not say they have forgiven him for the Whiteshell business, they are no longer talking about that—that Elliot Lake could possibly be used as a retraining centre. After all, having 600 or 700 empty houses there and institutional buildings that no longer have occupants or the occupancy of which has faded, why cannot the federal government approach this question with imagination and use Elliot Lake as a retraining centre for the very kind of thing that all the educators are saying we need in order to retrain our people?

I do not know whether it could come under this particular kind of program, but it certainly seems to me this is the kind of expenditure under this program that would do much more good than providing more classroom space. I know that at Elliot Lake the schools are magnificent. They are still building schools there despite the fact that the population is decreasing. The fact remains that at the present time they have not the equipment, the teachers or the facilities to do the kind of job that this group obviously feels Elliot Lake could do, and act as a bit of a lodestone or magnet. It could be a great example to the rest of the country if that were the first place to be set up under federal and provincial auspices, with regional support, to undertake a magnificent retraining program for those men aged, say between 18 and 35 who can be retrained in various specialized aspects of technology, or it could even be linked in with the mining and forest industries in more of a tradesmen kind of approach.

The surprising thing is that when you get out into communities such as Elliot Lake, North Bay, Sudbury, Port Arthur or Kenora you find that at the local level education is one of the most intensely interesting topics, and repeatedly the suggestion—as we heard from the Canadian conference of education—is that they want federal leadership and inspiration. It just seems to me that we cannot have it until this government and future governments decide that they are going to lead rather than introduce a program such as this which has become so unbalanced.

There is one final point I wish to make about these expenditures. I suppose the spending of any money may be good, and the spending of $269 millions in this field is wonderful in creating temporary employment. But when I look at these figures I come back to one of the great agencies which the federal government set up a number of years ago in education. That agency is the Canada Council. I realize so many people including members of both parties have criticized that $100 millions that went into the Canada Council. When we realise that $50 millions of that Canada Council money has gone into capital projects at various universities, when we realise that the Canada Council has been claiming repeatedly that it does not have enough income from the other $50 million to meet its scholarships and payments, we look at this other institution where the federal

government is putting up in this period of a couple of years a total of $129 million and we wonder what kind of sensible apportionment has been given to federal moneys in the field of education.

Nobody would suggest there is any greater merit in putting money into universities as against technical institutes or trade schools, but surely something has gone out of whack here, when the Canada Council, the main federal agency in the field of the arts and the humanities has only the money that it has to operate on, and the head of it has complained very openly, almost bitterly, about the situation, and we are spending $179 million under this crash program.

I come back to where I started. As a taxpayer in Port Arthur and as someone interested in the schools there, I am delighted we have a new high school called the Dag Hammarskjold school, and that the taxpayer is only to have to staff it and carry it on because the funds came from other sources. But I am also a federal taxpayer, and I wonder whether there is any real justice in this kind of approach when Ontario, my own province, indeed, my own town, benefits so much in this regard and the rest of the country seems to go short. I really wonder about the justice and fairness of this program.

Mr. Brunsden: Will the hon. and academic member for Port Arthur permit a question? He talked a great deal about Ontario and ignored the fact that there are some other parts of Canada west of Ontario. May I ask him if he will drop the verbiage from his words and tell us bluntly whether or not he believes in the vocational training school program?

Mr. Fisher: The hon. member has opened up another hour's debate. The vocational training program has its place, but I would suggest that before the ages of 16 and 17 its place is limited. I can point out, if the hon. member wants to come down to a pedagogical or educational philosophy point of view, that I believe learning to read, to write, to do arithmetic, and to know something about our society and about citizenship should be the core of the training of every child and adolescent until they begin to reach a stage where mentally and manually they are able to move to some kind of training which has links with an occupation. I suggest that this core of reading, writing and expression is important to everybody whether they are going to take technical or vocational training or not. I think, in a sense, the whole program of vocational and technical training in Canada has been an attempt to compromise between this goal and the idea of preparing young people to enter into a trade, and I would suggest to the hon. member who put the question that if he can show me that Alberta technical and vocational secondary schools are able to train people and send them into the labour force competent to work in their trades as craftsmen I would say I am completely wrong, but that certainly is not the situation in Ontario.

Mr. Brunsden: Never mind about Ontario. Let us talk about Canada.

Mr. Fisher: The hon. member says "Let us talk about Canada". I think that Ontario represents a portion of the country, and I happen to have some relationship with its educational system. I am not trying to suggest to the hon. member that I think it has a better system than the other provinces. That is the kind of debatable thing that you can never really be sure of. I do know this, though, that as a result of this program there is no doubt about it Ontario is going to have a lot more nice big high schools than any other province in the country. I have only to refer the hon. member to the paragraph which appears on page 1778 of *Hansard* where he will see the scale. I am delighted that Alberta, his home province, has been able to take advantage of this to the degree it has and that it is getting a federal share of $20 million. But we can only reiterate our doubt that this program, about which we expressed some reservations when it was initiated, which, I think, shows there is a consistency in our approach as a party, has met with the success which the minister claims. I suggest that the hon. member take a look at the statistics. He will see that the scale of success is concentrated in the province of Ontario. I have given an example from my own constituency to indicate that right here it really is not meeting the growing need. The growing need is, surely, the technical training of young people from 17 to 22 and the retraining of those people in the work force who cannot get jobs now and are practically unemployable.

We have a very good unemployment insurance office in Port Arthur and a good one in Fort William. I think the officials who work there are as knowledgeable about the problems in the region as are any of our school teachers or our school principals or our inspectors. They have told me repeatedly how difficult it is to carry on a retraining program. Our board of education in Toronto is co-operative. It has found facilities. Women are taking classes in hairdressing and men have learned how to repair television sets. They have tried to find something flexible that will retrain people and give them a

better chance of getting jobs; but in the main these programs are very short-range. They are ad hoc and very limited in the success they are having in meeting the problem. It seems to me the effort has to be along the lines suggested by the northwestern Ontario committee on employment. I think that one of the main things that has to be done is to establish these vocational guidance and testing centres not only in our region but right across the country.

I cannot take up the time of the committee any longer on this item. I certainly have had my share of the discussion. But I should like to appeal to the minister, whom I have always found to be fair, much as I disagree with his approach to certain aspects of his responsibilities, to immediately have a review of this program, to bring in all the education ministers from across the country. I should like to know, for example, what Mr. Paul Lajoie of Quebec feels about this program.

I should like him to give the minister an explanation as to why Quebec could take only that amount of money and Ontario could take so much more. I think this is a question that needs to be resolved and the minister can do it only by having that kind of review of the situation.

I know the minister can readily say that, this being such a popular program, this kind of approach is unnecessary. I know it is very popular in Port Arthur. As I said we are getting a $3 million high school without any capital costs devolving upon the taxpayers but I wonder whether that may not be the very reason why it is difficult in Ontario to obtain a really constructive analysis of what this program is doing. As I said earlier in my remarks, no one is going to kick Santa Claus in the face.

Mr. Pickersgill: Mr. Speaker, I should like to put a question to the minister about this program and about the relationship of the program to something that was said last night on television by the Prime Minister. In order to make my question intelligible I should like to read this paragraph from what the Prime Minister said. He said:

> Now, there's one problem that's causing me a great deal of concern and that's the men and women who are having to go in too early retirement—

I think there is a misprint here. I feel that should read, "who are having to go into early retirement". I continue:

> —some at 50, 55, up to 60, some younger. This is a very difficult problem to meet. And to do so will require the co-operation of the provinces, business and labour. And I'm having a full study made of this question, for I am determined that action must be taken to give hope to that body of men and women who find themselves retired at ages when they should expect many years of productive service ahead of them.

Now, I assume that that full study which the Prime Minister says is being made now is being carried on by the Department of Labour and I assume, of course, that it is largely retraining for people in these age groups—

Mr. Starr: The hon. member is doing too much assuming.

Mr. Pickersgill: —so that as the Prime Minister put it, and I thought very well—

Mr. Pallett: It was an excellent speech.

Mr. Pickersgill: —they could have many years of productive service ahead of them.

I am sure we would all like the minister to tell us about this study. We would like to know who in his department is carrying it on, how it is being carried on, how it is organized and how it fits into the vocational training program of the government.

I feel it was very opportune that the Prime Minister should have made this speech last night when the estimates of the department are before us. I thought it would have been even better if the minister when he brought the estimates before us had told us about this study and given us all the details so all of us could have talked about it. But now that the Prime Minister has told us this useful study is being made, would the minister tell us something more about it and particularly the lines it is following and the direction it is taking and who is carrying it out?

Mr. Starr: Mr. Chairman, the hon. member for Bonavista-Twillingate is doing a considerable amount of assuming on the basis of a speech made by the Prime Minister last evening. If the hon. gentleman wishes complete details I suggest to him that he ask the Prime Minister on the orders of the day.

Mr. Pickersgill: Well, Mr. Chairman, the minister has been a member of this house for quite a while and by this time he ought to know about the rules of this house. Under the rules, as the minister should know, it would be a totally inappropriate question for the orders of the day.

If there is any such study going on at all surely the minister knows about it. If these people are to have many more years of productive service—the people who are being retired too early—they will only have those years of productive service because they have some kind of training and surely the training is going to be done under the aegis of the Department of Labour.

If what the minister is saying is that this is just so much hot air on the Prime Minister's part and that there is no such study at all and that he knows nothing about it, let him get up and say so; but if there is any substance in this, as I assumed there was in my innocence, because the Prime Minister had said it, let him tell us what part his department is having in this study, what members of his department are taking part in it and what the nature of the study is.

Mr. Chevrier: No answer.

Mr. Pickersgill: No answer, no study.

Mr. Deschatelets: Another bluff.

Mr. Pallett: Another speech.

Mr. Best: Mr. Chairman, it was not my intention to participate in this debate but when I entered the chamber this evening the hon. member for Peterborough had the floor. His comments were so fantastic that they aroused my interest and I feel compelled to reply to some of the fallacious remarks that emanated from that corner of the house this evening.

I feel that the hon. member for Peel in a capable fashion has put the record straight in clear and emphatic terms. The hon. gentleman delivered a hard-hitting and excellent speech.

The speech made by the hon. member for Port Arthur to which we have just listened was somewhat more temperate and perhaps more positive than that of his seatmate from Peterborough whose speech was one of the most completely negative utterances I have heard in this chamber for a long time. If one sought to attempt to destroy a scheme and pour cold water on a program, one could not have succeeded to a greater extent than did the hon. member. I must say I cannot think of an educational program at any level in Canada which is as significant as this concerted attack by the government.

In my own riding of Halton in Burlington, Oakville and Georgetown three technical wing additions to high schools have been approved for a total federal contribution of approximately $4 million and possibly there may be further interest on the part of other communities in the riding. This is partially a sudden or crash program, but in view of the arrogance of the previous Liberal administration with its intellectual wastelands and lost time—and the hon. member for Trinity who spoke earlier was a member of the former government—surely we have some catching up to do in this country and must get at this rather quickly.

The statistics used by the hon. member for Port Arthur were, I thought, somewhat erroneous. I do not have all the figures with me this evening. I will accept his figure of between $120 million to $125 million as representing the money going into Ontario under the scheme. He used the figure $20 million for Alberta. Calculations I made just now by asking my neighbours from that province, indicate that since Alberta has approximately only one fifth of the population of Ontario, on a per capita basis Alberta would receive very close to the contribution we are giving to Ontario. To say that nearly all the money is going into Ontario is completely inaccurate and if all the hon. members' statistics are as wrong as those presented this evening I think we can discount almost all the remaining remarks the hon. member made.

Nevertheless, it is interesting to examine the remarks made by three Ontario members, the hon. member for Trinity, the hon. member for Peterborough and the hon. member for Port Arthur. Do they really not wish Ontario to accept this money? Do they feel that the local boards of education and the provincial departments of education have no knowledge of this scheme and no basis on which to make decisions with respect to the program? The statements made by the three hon. gentlemen represent a significant denunciation of all our municipal boards of education and our provincial department of education—indeed of the teaching profession. I wonder whether those two hon. gentlemen who are members of the teaching profession could re-enter the profession today in view of some of the comments they have made. I really doubt that they could on the basis of the comments they have made about the school system and their colleagues in the profession.

Mr. Pickersgill: I thought this was supposed to be a free country.

Mr. Best: Some interesting remarks were made at the conference on education at the recent conference in Montreal and one quotation used by the hon. member for Port Arthur referred to federal leadership and inspiration. I have heard those remarks applied to this program in my area. I have heard it said that this is an area in which we must move with some speed. I have heard the program characterized as being one of vision. I can think of no program in any educational field—primary, secondary, technical or at the university level—introduced by any municipal, provincial or federal government that compares with the present program.

I mentioned the figures for the province of Alberta. The per capita grants going into that province are comparable with those

going to Ontario. The hon. member for Port Arthur talked about secondary schools. I happened to see the figures just here this afternoon and although I may be inaccurate here, I believe that near Edmonton there is one school which is receiving a total grant of something like $8 million under this program. This surely is a large specialized school which will give detailed vocational and technical training in some depth.

Ontario perhaps has been able to make some use of this plan with the new Robarts streaming technique. It seems, however, that many of the objections we have heard this afternoon and evening are based on a detailed analysis of municipal and provincial responsibilities. I do not say that this matter should not be discussed to some extent in this chamber; but surely we must rely on the municipalities and on the provinces in their wisdom to work out the details of these schemes within their provincial and municipal jurisdictions, the province of Quebec in a different manner from the province of Ontario. We are not a Conservative government here at Ottawa that wishes to dictate—as I think the hon. member for Port Arthur and the hon. member for Peterborough and probably the near socialist member for Trinity would like to do—the educational programs and schemes of the provinces and municipalities. We do not intend to do that. We wish to grant under a general government and a general scheme, moneys to be used by the provinces and the municipalities according to their methods, and according to their best ways and means. This is our philosophy. If those sitting opposite disagree with it, that is their privilege. Again, I think this is a complete renunciation of local responsibility. It can only mean, as the hon. member for Peel pointed out, a complete lack of confidence on the part of the N.D.P. and the Liberals in the authority, integrity and ability of the local boards of education and provincial departments of education. I have talked to guidance teachers in high schools in my riding and to provincial inspectors around Ontario and I find that there is a whole hearted and warm acceptance of this scheme.

Some remarks were made by the hon. member for Peterborough about the retraining of vocational teachers. We know that this is going on. There are rush programs being carried out to retrain and and further train our present vocational teachers in order to bring them up to higher standards for these new classes and these new courses. This is going on. Undoubtedly new teachers will have to be recruited as well. That is being done and I am sure is realized by the provinces and municipalities in question.

I am told that the hon. member for Timiskaming in speaking this afternoon was guilty of a number of inaccuracies—I observe that he is at last listening now—with regard to students being obliged to decide in grade 8 to commit their lives to one course or another. Again I believe the hon. member for Peel has set out the true scheme. There is one year after which students may criss-cross to different courses; and, as I think perhaps has not been pointed out this evening, really none of these courses closes the door, upon graduation, to a variety of college or technical training thereafter. This is an encouraging thing. There are basic similarities between these courses. There is only a percentage—perhaps 20 per cent—of specialized training in the different courses. There are many subjects which will be common areas in the first three streams. This will not close doors or possibilities to any students to further their education and their training beyond the secondary school level.

I must admit that I was troubled at first by this seeming inflexibility of the scheme. However, on better acquaintance I now realize the tremendous flexibility it has, the great choice provided in the fact that students can go on from there to a variety of things after their secondary schooling.

The hon. member for Peterborough also said that we should be training, instead, the unemployed. Of course we are doing that. We are doing that in my riding. In the town of Oakville the province, the federal government and the municipality and the school board, as a matter of fact—that much decried school board about which we heard so much earlier this evening—have taken it upon themselves, on their own initiative, to cooperate seeing the opening made by our Minister of Labour here, through this provincial federal scheme, to retrain some of the unemployed in our area. This scheme is just starting to catch on. There is not perhaps a tremendous volume of students as yet but this is a very healthy sign in the training of the unemployed. We are trying to classify them and to train those who are most capable of receiving that training and to give them courses which will make them able to fit into a wider variety of jobs.

As I have said, hon. members opposite who have spoken this evening have raised problems which are largely provincial in nature. The basic conclusion to which we must come is that this is part of a concerted socialist bureaucratic attack on the problem of education in this country. I am not one who feels that our government in a variety of ways should not contribute to some extent to education. However, I am far from thinking that we at this level should control the curricula,

the students, the methods of study and the training of teachers at the federal level. From some of the remarks made here this evening I can only conclude that this is the direction in which the New Democratic party would head. As was mentioned by the hon. member for Peel, I think that everybody would have to move to Ottawa. We would let all the little boards go and let the provincial departments go and we would have one glorified huge bureaucratic department of education here in Ottawa. I think that is just as ridiculous as it sounds. If they wish to vote against this program I think possibly we may see just what their objections are. However, the sort of negative remarks which we have heard this evening—

Mr. Peters: You sure have made some.

Mr. Best: Perhaps I was spared the misery of hearing the hon. member's remarks made this afternoon. I heard enough inaccuracies, I think, to be grateful that I was away from the chamber at that time.

Mr. Peters: It is too bad you were not away longer.

Mr. Best: I think the measure of support and reaction to this program is witnessed by the very applications which have come to the Prime Minister and to the federal government. This is the true measure of its success. I am sure that our major attack on this problem will mean a great increase in trained personnel, in employment in primary and secondary manufacturing in the years ahead. I wish to compliment the Minister of Labour and the government on what I think is one of the major keystones of the policy and practice of this administration.

(Translation):

Mr. Bourget: Mr. Chairman, the $28 million vote that we are asked to approve affects what is known as joint plans. I therefore believe it would be unfortunate to let this opportunity go by without knowing exactly where the members stand on the question of joint plans, especially the members from the province of Quebec sitting behind the treasury benches.

Mr. Chairman, I would not have raised this point tonight if, while making two speeches in this house since the beginning of the present session, one during the debate on the speech from the throne and the other during the consideration of the first general estimates of the Department of Public Works, I had not been subjected to a barrage of questions from the Conservative members of the province of Quebec who, several times—and *Hansard* is there to prove it—asked me to state the stand of Liberal members on joint plans.

Well, Mr. Chairman, in order to dispel any ambiguity, I wish to take this opportunity afforded by consideration of this item to place on record the policy of the Liberal party as regards joint plans.

And I want to say that our policy, which was clearly stated on different occasions—

Mr. Flynn: Mr. Chairman, on a point of order—

Mr. Bourget: —when our leader—

The Chairman: Order. Does the minister want to speak on a point of order?

Mr. Flynn: Yes, Mr. Chairman. I submit that the point raised by the member for Levis is irrelevant.

It is not that I fear to follow him on this ground, but it is a waste of time to discuss matters that have nothing to do with the matter under discussion.

In this case, the act was passed by the house, the principle has been accepted, and it is now only a matter of asking the house for an additional amount. Therefore there is no need to reconsider the principle of the act. It is simply that, if the hon. member for Levis is allowed to continue his remarks to that effect, we will soon be getting into full scale, and completely irrelevant debate.

I think that such has been the case long enough today.

Mr. Chevrier: Mr. Chairman, with regard to the point of order raised a few moments ago by the minister, I think we should point out two facts. First, the minister has said that the remarks made by the hon. member for Levis go beyond the limits of this debate; well, it should be remembered that the same question was discussed for about an hour or two. Consequently, if at that time the members were going beyond the limits of the debate, the hon. member for Levis has the right to do the same, because the member for Port Arthur (Mr. Fisher) was the first to bring up the point that the hon. member for Levis is now discussing.

As to the principle of the act, the minister is absolutely wrong when he says that a member is not allowed to discuss it now. But under vote 636 which is now before us, a member has the right to discuss the principle of the act. This seems clear to me. Consequently, I respectfully submit, Mr. Chairman, that the hon. member has the right to pursue his remarks since we have been discussing for two hours the principles of education in the

province of Ontario. Therefore, the member has, a fortiori, the right to do as much as far as the province of Quebec is concerned.

Mr. Tremblay: Two wrongs don't make a right.

Mr. Flynn: Mr. Chairman, I have only a few words to add. The hon. member for Laurier said that we talked about it this afternoon.

I admit that part of the debate was beyond the scope of the vote under discussion. However, there was no mention of the principle of the act but rather of its application in the province of Ontario, which is quite different from the argument that the member for Levis wants to raise.

Second, the rule setting the limits of a debate is very well set forth on page 738 of May's sixteenth edition.

Once again, I do not want to prevent the member for Levis from discussing that matter. He already has had the opportunity to do so. If he wants to come back to it, it is his business; but I submit that we will move away for good from the vote under consideration.

(Text):

Mr. Pickersgill: Mr. Chairman, I should like to put in a word or two on the point of order that has been raised by the minister of points of order. My point is this. The minister says that in our discussion in this committee of an additional vote under a law we cannot discuss the principle of the law. That is the most extraordinary attempt to limit freedom of speech that I think I have ever heard in the committee of supply. Surely we can point out that the principle of the law is working badly, as it obviously is when three quarters of all this money is being spent in one province. Surely we can point out that in the application of the principle the thing is not working out properly, and to lay a foundation for dealing with the application one has to recall what the principle is. That is precisely what the hon. member for Levis was doing.

(Translation):

The Chairman: The minister has obviously raised a very important question, that of the relevancy of the debate. I know that he is referring to May whom he has quoted in part yesterday. But a little further, on the same page, I read this:

(Text):

If the sum demanded by a supplementary estimate is of the same order of magnitude as the original estimate, the chairman has allowed questions of policy to be raised upon it which would have been in order if it had been an original estimate.

The first point is that this is an important amount that members are being asked to vote. The second point is that the discussion that has taken place on this item has ranged widely enough to cover the policy of the original law as well as the question of voting this additional amount. Third, with regard to the remarks upon which the hon. member for Levis was embarking I would point out that he was speaking about the principles of joint programs. This is a joint program and if he relates his remarks on joint programs generally to the joint program that is now under study, then to my mind he is fairly well within the realm of relevancy. I do not feel inclined to stop him at this stage although I would caution him that, as the minister has well pointed out, the rules of relevancy must be adhered to and he must correlate his remarks to the particular item.

(Translation):

Mr. Flynn: I agree with you, Mr. Chairman, but if we start a discussion of that kind in a few minutes, I would not want the hon. member for Laurier to blame us for delaying the passing of the estimates.

Mr. Chevrier: That is what you have been doing all evening.

Mr. Bourget: And this should not happen.

I wish to point out to the Minister of Mines and Technical Surveys that tonight, the chief whip of the Conservative party (Mr. Pallett) spoke for half an hour and the hon. member for Halton (Mr. Best), for fifteen minutes.

Mr. Flynn: Half an hour between the two of them.

Mr. Bourget: Then, I do not think the Liberal opposition can be blamed for taking the floor too often on this matter since the Conservatives themselves took more time than we did. Mr. Chairman, I am not a lawyer, but my judgment tells me, and especially common sense, that it is logical for a member to express the attitude he intends to take concerning a credit as important as that of $28 million which is now put to us.

As I said at the beginning, I would not have raised the matter if, in the course of two speeches I gave in this house, I had not been submitted to a barrage of questions about joint programs.

So that there shall be no misunderstandings, I will put on record the policy of the Liberal party, which remains the same, not only in the province of Quebec, but throughout the country.

Well, that policy on joint plans is outlined in a pamphlet which we are distributing all over the country and which is entitled *The Option Formula*. I quote:

Although tax sharing is essential, other forms of co-operation between the provinces and Ottawa exist which will provide a better balanced development of Canada.

Such are the federal-provincial joint programs in the field of welfare, for example old-age assistance, pensions to the blind and the disabled—

As well as this project which is about technical and professional training.

—In that field, Ottawa must help develop, all over the country, such assistance programs; but if it remained indefinitely in that field, it would run the risk of creating, in the long run, administrative difficulties.

A new Liberal government, after having made arrangements with the provinces, will withdraw from those joint schemes which are now well established everywhere. At the time of its withdrawal, the federal government will confer on the provinces direct taxation powers and increase its equalization payments to a degree equivalent to the federal contribution to those programs.

Thus, the federal government will be able to suggest new joint programs if necessary. Yet, in view of applying further schemes, a new Liberal government will ensure that any province unwilling to take part in one or the other, would not suffer with regard to revenue. As the federal taxes will pay a new joint program, any province may have an option and receive from the federal government some financial compensation equal to what the province would have received if it had shared in the joint federal-provincial scheme.

Mr. Pigeon: You are repudiating the past.

The Chairman: Order. I indicated to the hon. member a moment ago that he could add a few references concerning joint plans to the premise of his argument, but I suggest it is not within the scope of this discussion to consider the details of this program nor the fiscal agreements which could be reached between the federal and provincial governments. I would therefore ask the hon. member to get back to the estimates which are now before us.

An hon. Member: You are repudiating the past.

Mr. Bourget: Mr. Chairman, I will abide by your suggestion. I do not want to belabor the point further, but I believe that it would be the right time, since we have with us tonight the senior minister of the province of Quebec and the Minister of Mines and Technical Surveys—

Mr. Balcer: Would the hon. member permit me a question?

Mr. Bourget: If you will let me finish what I have to say, you will be able to ask me all the questions you wish. You asked questions

[Mr. Bourget.]

when I spoke on two previous occasions. Besides, it is not up to the Liberals, who are in opposition, to reply; it is up to you, who are in power, to shoulder your responsibilities. I feel it is time for you to take a stand and to say what you think of joint programs.

Mr. Tremblay: Jokers.

Mr. Bourget: And especially the hon. member for Roberval (Mr. Tremblay) who—

Mr. Tremblay: Jokers, jokers.

The Chairman: Order.

Mr. Pigeon: You are contradicting yourself.

Mr. Tremblay: Comedians.

The Chairman: Order. I would ask the hon. member to address himself to the Chair in accordance with the rules of the house.

Mr. Bourget: I am sorry, Mr. Chairman, but I feel hon. members opposite should stay quiet. I ask the ministers of the province of Quebec to say what they think about those joint plans, as well as the hon. member for Roberval whom—after his recent speeches in the province of Quebec—I am always surprised to see, not only on the government side, but also in this very house.

Mr. Tremblay: Comedians. You will be told in due time.

Mr. Bourget: I do intend, Mr. Chairman, to ask that a vote be taken for the adoption of this item.

Mr. Pigeon: Tell us about Mr. Bona Arsenault.

The Chairman: Order.

Mr. Tremblay: Tell us about Mr. Chevrier.

The Chairman: I would hope that hon. members interrupting from their seats will stop that so that the Chair as well as all hon. members may hear the remarks of the hon. member for Levis who has the floor.

An hon. Member: The hon. member for Roberval will find it difficult.

Mr. Bourget: I thank you, Mr. Chairman, but I have completed my remarks and I hope we shall now have the opportunity to hear somebody from the province of Quebec say what he thinks of these joint programs.

Mr. Pigeon: Bona Arsenault is going to talk about them.

Mr. Tremblay: Tell us about Mr. Chevrier.

(Text):

Mr. Martin (Timmins): Mr. Chairman, as I have a few remarks to make on this item I wonder if I might call it ten o'clock?

(Translation):

The Chairman: Order. I have already asked hon. members not to interrupt from their seats. I hope they will abide by the rules of the house since, otherwise, it will be impossible to give proper consideration to these estimates.

I recognize the hon. member for Timmins (Mr. Martin).

(Text):

Mr. Martin (Timmins): As I say, the hour is rather late and I wonder if I might call it ten o'clock?

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what we will be doing tomorrow?

Mr. Churchill: Tomorrow we will press on with the supplementary estimates.

Mr. Chevrier: Would the house leader give some indication of what we will be doing next week, Monday and Tuesday?

Mr. Churchill: Everything will depend on the progress we make tomorrow, which I hope will be extensive.

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

HOUSE OF COMMONS

Friday, March 16, 1962

The house met at 11 a.m.

SAINT PATRICK'S DAY

MR. MCGRATH—GREETINGS TO MR. SPEAKER AND MEMBERS OF THE HOUSE

Mr. J. A. McGrath (St. John's East): Mr. Speaker, I rise on a question of privilege to ask the house to bear with me while I move the clock ahead 24 hours to wish you, Mr. Speaker, on behalf of all Irishmen in this house the top of the morning.

May I also on this, the eve of the feast day of the great patron saint of Ireland, on behalf of all Canadians and particularly on behalf of Irish Canadians, avail myself of the opportunity to raise the old Gaelic cry "Erin go bragh".

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in view of the remarks of the hon. member for St. John's East, I should like to say that members of this group for years have urged that fast time be established on a national basis but, of course, we trust that it will apply to all groups in Canada when it is established. However, we approve his supporting this principle openly in this house at this time. We also join with him in his recognition of March 17 as a great day for many of our Canadian citizens.

Mr. Speaker: I take it that it has been unanimously agreed that we move the clock ahead 24 hours. I am not sure what effect that course will have on today's proceedings.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I be allowed to join with the hon. member for St. John's East and all others in this house in wishing to those of Irish extraction our very best wishes on the eve of St. Patrick's day.

PRIVILEGE

MR. CHEVRIER—STATEMENT BY MINISTER OF FINANCE RESPECTING PAYMENT OF CIVIL SERVANTS

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I rose on a question of privilege at about the same time as the hon. member for St. John's East, but Your Honour saw him first.

My question of privilege is one that affects the rights of all hon. members of this house. Yesterday the Minister of Finance made a statement which has been interpreted to mean that members of the opposition were preventing civil servants from being paid. One of the local radio stations headed its newscast this morning as follows:

> Will some civil servants not get paid? According to finance minister Fleming it's possible.

I am informed, sir, that a question directed to the central pay office produced the reply that no mid-March cheques for civil servants' pay had been held up. In other words, the minister yesterday sought by misleading information to curb debate in this house. Notwithstanding this—

Mr. Hellyer: False and misleading.

Mr. Speaker: Order. Is the hon. member referring to a statement made in the house yesterday?

Mr. Chevrier: Yes, Mr. Speaker.

Mr. Speaker: When statements of that kind are made in the house objection to them, if any is to be taken, should be taken at the time they are made.

Mr. Chevrier: But, Mr. Speaker—

Mr. Speaker: I invite the hon. member to hear me out. In the heated debates that take place it would be impossible to go back and correct all the infractions of the rules of the house that have been made during the course of the day. I think the hon. member will agree with me that if we follow that course we would never do the work of today but would spend our time on yesterday's affairs. So I suggest to the hon. member that he take other means of correcting what he says is misinformation.

Mr. Chevrier: Mr. Speaker, on the point of order, I feel I should bring to your attention the fact that yesterday no one could have known that the statement made by the Minister of Finance was misleading. This was not known until today when the reference I cited was broadcast on a local radio station to the effect that it was possible that civil servants' pay cheques were being held up. When we made a check today we discovered that no mid-March cheques had been held up, despite what the minister said.

Mr. Speaker: Well, having gone that far—

Mr. Fleming (Eglinton): Mr. Speaker, I rise on a question of privilege—

Question of Privilege

Mr. Speaker: I should like to give the minister an opportunity to comment on the question of privilege which has been raised since it has been carried to the extent that it has.

Mr. Pickersgill: On the point of order—

Some hon. Members: Sit down.

Mr. Pickersgill: I am speaking on the point of order.

Mr. Speaker: If the hon. member's point of order relates to hearing the Minister of Finance, I will hear him first.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Yes, Mr. Speaker. My point of order is this. I quite agree with Your Honour that the minister should be allowed to speak. However, I also feel that my friend the hon. member for Laurier who has raised the point should be allowed to complete his sentence before the minister is allowed to reply.

Mr. Speaker: I indicated to the hon. member for Laurier that I thought the point was not properly taken at this time, but that he has made his point to the extent that I think it is only fair that the minister should be allowed to comment.

Hon. Donald M. Fleming (Minister of Finance): Particularly, Mr. Speaker, when the hon. member for Laurier has used the expression "sought to mislead" and the hon. member for Trinity (Mr. Hellyer), whether you heard him or not, just now used the expression "false and misleading" as applied to the statement I made. The hon. member apparently is not acquainted with the rules of this house. When I have made my statement to you, Mr. Speaker, on the question of privilege I hope you will direct him, in accordance with the rules of the house, to withdraw his words.

My remark yesterday on this subject is to be found at page 1823 of *Hansard*, in the second column. This is what I said, and I was referring to March 15:

> This is normally the day when cheques are payable with respect to a number of the liabilities of the government. I must inform the committee that by reason of the fact that these supplementary estimates have not yet been disposed of, notwithstanding the warnings given to the house by my colleague some days ago, it will not be possible now to pay on their due date certain accounts of suppliers in various departments, and certain employees cannot receive their mid-March pay until supply is released.

That statement is correct, Mr. Speaker. The information given to the house this morning by the hon. member for Laurier is wrong. If there is anything misleading, it is the statement made by the hon. member for Laurier.

[Mr. Fleming (Eglinton).]

Mr. Speaker: Order. I think the minister has had ample opportunity now to comment.

Mr. Fleming (Eglinton): With respect, Mr. Speaker, may I point out that I have something further to say on this subject, and I think I am quite within my rights after language such as that which has been used this morning by those two hon. members with respect to the statement I made yesterday.

Mr. Chevrier: Who is in the chair?

Mr. Speaker: Order. May I say to the minister that I curtailed the remarks of the hon. member for Laurier, who raised the question of privilege originally. The reason it seemed proper that the minister should be allowed to comment was that the hon. member for Laurier had gone far enough to make a statement which required to be dealt with. However, unless the minister is raising a new point I suggest to him that in view of my restricting the hon. member for Laurier, the matter has now been satisfactorily disposed of. It should not have been raised at all.

LABOUR CONDITIONS

EARLY RETIREMENT—INQUIRY AS TO REPORTED STUDY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct to the Prime Minister a question suggested last evening by his colleague the Minister of Labour. Can the Prime Minister tell the house what officials are making the study of the question of early retirement, to which he referred in his television broadcast on Wednesday evening, March 14, and what minister is in charge of this study?

Right Hon. J. G. Diefenbaker (Prime Minister): As the hon. gentleman knows, Mr. Speaker, the names of officials, should there be such officials, are not revealed in the house. I remember an occasion many years ago when a similar question was asked and that answer was given. Furthermore, as I stated on the television broadcast, I am having this whole matter looked into. Opinions are being secured from those who are knowledgeable on the subject, and when it is appropriate to bring the matter to the attention of the house it will be done.

Mr. Chevrier: I should like to ask a supplementary question arising out of what the Prime Minister has said. Surely when public funds are being expended on a matter

of this kind parliament should at least be entitled to know what minister is in charge of the study. That was the question I asked, and I wonder whether the Prime Minister would not reply to that part of the question.

Mr. Diefenbaker: Mr. Speaker, there was no complication, except from the lips of the hon. gentleman, that public funds were being spent.

Mr. Hellyer: It is the minister in charge of mysticism.

POWER

COLUMBIA RIVER—INQUIRY AS TO LETTER FROM PRESIDENT KENNEDY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Prime Minister. Has the Prime Minister received a letter from President Kennedy seeking an indication of Canadian government plans concerning ratification of the Columbia river treaty and suggesting that the United States government will seek alternative power sources for the Pacific northwest if ratification is not given soon?

Right Hon. J. G. Diefenbaker (Prime Minister): No, Mr. Speaker.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I should like to direct a question to the Prime Minister. When the Prime Minister speaks to the Progressive Conservative association in Montreal this evening, is it his intention to announce—

Some hon. Members: Order.

Mr. Speaker: Order. Party meetings are not considered public administration, and to inquire in advance what a minister proposes to say at a party meeting seems to me to be going beyond the scope of either questions on the orders of the day or written questions.

PUBLIC SERVICE

AVAILABILITY OF CONFIDENTIAL INFORMATION TO PRIVATE INVESTIGATORS

On the orders of the day:

Hon. Noel Dorion (Secretary of State): Mr. Speaker, the question asked yesterday on the orders of the day by the hon. member for Timmins, which related to the divulging to private parties by employees of several government departments of information contained in the records of these government departments, was presumably directed to the Secretary of State in his capacity of dealing with questions involving more than one department. I assure the hon. member that this role of the Secretary of State is confined to questions and motions for papers which appear on the order paper and not to verbal questions raised on orders of the day. Since, further, I have no over-all responsibility for the security of information in departmental records, I suggest to the hon. member that he direct his inquiry to the ministers responsible for the departments concerned.

PUBLIC BUILDINGS

FORT WILLIAM—INQUIRY AS TO CONSTRUCTION OF ARMOURIES

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Has the minister received a letter from Lieutenant Colonel L. T. Poulter urging the construction of an armoury in Fort William? If so, is the government giving favourable consideration to the establishment of armoury facilities in that city soon, or in the foreseeable future?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I did receive such a letter two days ago. The hon. member will remember that he raised the matter of the provision of an armoury for Fort William when the estimates of the department were being considered, and we had considerable discussion. At that time I explained the general armoury situation in Canada and the fact that we more or less have a priority list, and informed him where Fort William stood on that list.

DEFENCE PRODUCTION

CANADAIR—PRODUCTION OF CL-41 JET TRAINERS

On the orders of the day:

Mr. Guy Rouleau (Dollard): I should like to direct a question to the Minister of Defence Production. Has the government decided to order from Canadair a number of CL-41 jet trainers for the Royal Canadian Air Force? If the government has not reached a decision on this matter, in view of the impending layoffs at Canadair will the government make an early decision on it?

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, the only announcement on this program was made by the Minister of National Defence during the last session of parliament when he said the

air force was considering the acquisition of the CL-41 trainer. Since that time negotiations have been going on with Canadair and other companies with regard to the manufacture of the engine required for this trainer. This program has not yet been approved in its entirety, but negotiations are continuing. I wish to state that we are looking seriously into the situation with regard to the work force at the Canadair plant, and if the CL-41 program goes ahead it will mean for some months or for a year or so work for not more than 1,000 men.

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM—REQUEST FOR TRAINING OF TROOPS IN KOOTENAY DISTRICT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Minister of National Defence based on a telegram I received since I appealed to him yesterday from Mr. T. A. McRae, of the Kootenay boundary citizens' committee. It reads as follows:

> Request you again call for troops in this area on a training basis. Do we have to have a hydro power plant destroyed before action taken.

In view of the concern felt, would the minister communicate with the attorney general of British Columbia to see if some satisfactory arrangements cannot be made?

Hon. D. S. Harkness (Minister of National Defence): I have nothing to add to the two answers I have already given with regard to this matter. The procedure is very plain. If troops are required, the attorney general has to requisition them. Until he does so, as I explained before, I have no legal authority so far as I can see to send troops, in effect, in aid of the civil power. The responsibility, therefore, is that of the attorney general if he considers troops are necessary to send a request for them.

GRAIN

INQUIRY AS TO QUOTA POSITION

On the orders of the day:

Mr. C. S. Smallwood (Battle River-Camrose): I have a question for the Acting Minister of Agriculture. Would the minister bring the house up to date on the grain quota situation in western Canada? How many points are on open delivery quotas at this time?

Hon. Gordon Churchill (Minister of Veterans Affairs): Perhaps I could answer that question on behalf of the Acting Minister of Agriculture. A most remarkable change has taken place in the quota distribution, compared with other years. Of the 1,942 points at which grain is delivered, 92 per cent are now on the open delivery quota. This, I believe, is a record. By provinces it runs this way: Manitoba, 352 stations, all on open delivery quotas; Saskatchewan, 1,038 stations, of which 921 are on open delivery, 83 on a 7 bushels per specified acre quota, 27 stations on 6 bushels quota and 7 stations on a 5 bushel quota; in Alberta, 545 delivery points, of which 523 are on open delivery quota and 22 on a 7 bushel per specified acre quota. This is the remarkable record of government policy with regard to the sale of western grain.

(Translation):

SHIPPING

REPORTED PROTESTS OF ST. LAWRENCE RIVER PILOTS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Minister of Transport.

Did the minister receive representations from pilots on the St. Lawrence river and the seaway concerning a new formula whereby, according to this morning's *Gazette*, part of their salaries would pay for navigation aids?

If so, could the minister tell us what stand his department would take following those representations?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, officials of my department did consult the pilots' association to find out what their opinion was on this matter. They suggested that pilots attached to the Escoumains and St. John, N.B. stations might pay part of the special equipment which is to be supplied to them. They only wanted to know the views of the pilots' federation in this regard, and, as could be seen in this morning's newspapers, those views were not long in coming.

(Text):

IMMIGRATION

WINNIPEG—REPORTED ASSURANCE TO CHINESE COMMUNITY

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Prime Minister in order to clear up a misunderstanding that

apparently exists amongst the Chinese community in Winnipeg. Would the Prime Minister indicate whether he did give them any assurance last November, and if so what was the nature of the assurance?

Right Hon. J. G. Diefenbaker (Prime Minister): I believe that the details of this question have been brought to the attention of the house on two previous occasions, by the Minister of Citizenship and Immigration and by the Minister of Justice. This whole question is one that is receiving the earnest attention of the government. All recognize that the Chinese are fine citizens, and our purpose is to assure in every way that they receive fairness and justice.

Hon. J. W. Pickersgill (Bonavista-Twillingate): As a supplementary question I would ask the Minister of Justice whether he thinks this whole matter could not be brought to an early termination.

Hon. E. D. Fulton (Minister of Justice): We have been bending our efforts in that direction since long before the hon. member made his suggestion.

Mr. Pickersgill: Pretty poor efforts.

SUPPLY

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

DEPARTMENT OF LABOUR

Technical and vocational training assistance—

636. To carry out the purposes of the Technical and Vocational Training Assistance Act and agreements made thereunder—payments to the provinces —further amount required, $28,400,000.

The Chairman: The hon. member for Timmins.

Mr. Martin (Timmins): I listened very carefully to the debate which arose in connection with this item in the supplementary estimates and to the very excellent case that has been built by the hon. member for Peterborough and the hon. member for Port Arthur. Combined with the complete lack of answers by any spokesman for the government to the questions raised by these hon. members, their case underlines the fact that all the boo-boos this government has pulled over the last four years in its efforts to solve the problems of our society, this measure ranks as the biggest.

It would be interesting to try and analyse it a little bit in order to find out how the government got into this particular mess. To do so we would have to go back to 1957 and 1958 when the present government inherited the mess of 22 years of misrule by the Liberal government, not to mention the five years of worse misrule by the previous Conservative government. Among the many problems it had to face, possibly the most urgent was that of a steadily rising and steadily more consistent problem of unemployment.

For the first two years the government adopted two tried and true former solutions; first trying to ignore the problem and seeing if it would go away by itself, and the other being optimistic and hoping everything would turn out all right. It took two years for the government to realize that optimism and ignoring the issues were certainly no solution and so it started to look for some answers. It looked back through history but found no answer, because there never had been one under any previous Liberal or Conservative government. The only answers previously tried, were the two I have mentioned, optimism and ignoring the problem. They did not work any better now than they had in the past, and in fact did not work as well because there were two new problems involved, the automation problem and the fact that we did not have a world war come along to bail us out as we had always apparently been fortunate enough to have in the past.

Not being able to find any solutions in history, the government finally started looking for new solutions. As always, of course, when they look for new solutions they had to start listening to the members of this group. The trouble was, they only half listened. They heard members of this group get up time after time and point out the need of a retraining program for displaced employees and for the unemployed of this country, and the need for better training of our young people going into the work force. They listened to all this and thought "Maybe we should try that".

But they were then faced with a dilemma. How were they going to apply such a solution and save face? We had the picture of the Prime Minister going around the country mouthing talk about free enterprise, and on the other hand there was this democratic socialist measure which the government intended to adopt. How could they go about employing democratic socialist measures while at the same time preaching free enterprise?

I admit it is a difficult job, but they finally found what they thought to be a solution. They thought they could adopt the measures without using the methods. They thought

they could use the ideas with no thought or planning or anything else of that kind. In fact they believed the solution was to put a free enterprise mask on their faces and try to carry out socialism behind their backs. That is how this government achieved this monstrosity that we face at the present time, the greatest of all the blunders they have made in the last five years. We find an expenditure of close to $200 million to build the wrong kind of schools in the wrong places for the wrong purposes to teach students we do not have through the services of teachers who do not exist. If any government has done anything more insane than that, I should like to know when it was.

The only conclusion I can come to is that this government lacks the courage and the honesty to carry on with the free enterprise they talk so much about, and lack the brains and intelligence to take democratic socialist measures and apply them properly. The result is—and I think this was pointed out very ably yesterday by the hon. member for Peterborough and the hon. member for Port Arthur—that consternation is spreading throughout the country and that we are amassing a colossal debt without anything to show for the money spent. Finally they will make this government and the country a laughing stock throughout the world whenever anyone of any intelligence looks at the solutions we are trying to apply to these problems.

(Translation):

Mr. Flynn: Last night, Mr. Chairman, in spite of the objection I raised to the effect that the matter he wished to discuss was irrelevant because it concerned the principle of the act and indeed a matter of a wider scope than that principle, the hon. member for Levis took the opportunity of that discussion to set out part of the Liberal platform and put questions to ministers and to members from the province of Quebec.

The hon. member for Levis managed to set before the house the Liberal party's attitude concerning joint schemes and here is what he quoted at page 1862 of *Hansard,* page 4 of the English translation:

> Although tax sharing is essential, other forms of co-operation between the provinces and Ottawa exist which will provide a better balanced development of Canada.
>
> Such are the federal-provincial joint programs in the field of welfare, for example old age assistance, pensions to the blind and the disabled—

A little further, the hon. member stated:

[Mr. Martin (Timmins).]

> A new Liberal government, after having made arrangements with the provinces, will withdraw from those joint schemes which are now well established everywhere. At the time of its withdrawal, the federal government will confer on the provinces direct taxation powers and increase its equalization payments to a degree equivalent to the federal contribution to those programs.

Mr. Chairman, I have already stressed that the statement made by the hon. member for Levis covered more than the principle of the legislation, that it dealt with a far reaching question which would best be discussed during a separate debate.

I would not want to follow the bad example set by the hon. member for Levis; consequently, I shall not enter upon an over-long discussion of the matter he raised. I think he will agree with me that the adoption of those supplementary estimates should not be unduly delayed, since they are urgent.

I merely wish to point out, Mr. Chairman, that the hon. member for Levis created the impression that the new formula of the Liberal party would apply to any joint program.

I say that the member for Levis is surely not speaking for the Liberal party when he makes that suggestion, because nobody will convince me that the Liberal party is ready to provide a compensatory formula for joint programs coming under federal jurisdiction.

These are joint programs that fall well within the jurisdiction of the federal parliament; there are some for which the responsibility can be shared and, finally, there are others to which some provinces object because they feel that those schemes deal with matters which are their sole responsibility.

Surely the hon. member for Levis will not tell me that his party has changed its policy to the extent of saying that it will apply a form of compensation to all the joint programs, whatever the problems of legislative jurisdiction they create.

For example—

Mr. Bourget: Mr. Chairman, I am sorry to interrupt the minister, but could he specify which joint programs or plans he has in mind? I would ask him to be more specific so that we may understand each other.

Mr. Flynn: Mr. Chairman, it is the hon. member for Levis (Mr. Bourget) who was not specific yesterday. I would suggest especially that he expressed a very general opinion on this bill. Now, does the hon. member for Levis mean to say that his alternative formula would apply to the trans-Canada highway?

Mr. Bourget: Certainly.

Mr. Flynn: Indeed. That is precisely what I expected the hon. member for Levis to say, because when this bill was discussed in this house, he never offered any compensatory formula. He laughed at the Quebec government which was against it and he always emphasized that Quebec would lose millions through its own fault, but he has never suggested an alternative formula. This is a shameful turn-about.

Mr. Bourget: If the minister wants me to reply immediately, I am ready to do so.

Mr. Flynn: If the hon. member for Levis wishes to reply, he may do so, provided he does not make a new speech before I have finished mine.

Mr. Bourget: I will answer the minister right now because he knows full well that when our party was in power, that is until June 1957, we never had the opportunity of discussing that with the then Quebec premier. The minister knows that I am telling the truth. We never had an opportunity for such a discussion because Mr. Duplessis always refused to co-operate with the Liberal government of the time.

Mr. Flynn: Mr. Chairman, I do not have enough time to discuss that point but, whether he is right or wrong, the hon. member for Levis is not in a better position, since he states today that any province will be entitled to a compensatory formula, whereas in the past he took a take it or leave it attitude.

I have read the official report and the statements made by the hon. member for Levis. He is not going to come and tell me that his attitude was one of conciliation at that time. Never did he suggest that the government of which he was a member was willing to offer the province of Quebec some compensation in that field.

I said that there are programs which fall perfectly within the federal jurisdiction. I shall only say a word about the legislation concerned, since, irrelevant as that might be at this stage in our proceedings, its principle has been discussed. That act was passed by parliament last year because the federal government recognized its responsibilities in the employment field, employment being directly related to trade and economy. The measure was introduced with these considerations in mind.

Now, because technical training comes within the field of education, which is under provincial jurisdiction, the act provides for an agreement with those provinces which may wish to take advantage of it, precisely to organize this technical and vocational training. When the act was introduced last year, did the hon. member for Levis and his friends offer a compensation formula?

Mr. Tremblay: No.

Mr. Flynn: Did they suggest there should be one? Not at all.

Mr. Bourget: You are the ones who refused it.

Mr. Flynn: You repudiated your own past. From considerations of opportunism, the Liberal party, at their convention, adopted this formula, this compensation idea which is a complete reversal of the Liberal party philosophy, as formulated in Mr. Maurice Lamontagne's book on Canadian federalism. I suggest the hon. member for Levis read it again and he will see once again the tremendous turn-about he has made.

Mr. Bourget: You are past-masters in turn-about.

Mr. Flynn: Not at all. One last point. As far as we are concerned, when a province feels that some legislation affects what is its exclusive jurisdiction, we are ready to consider changes, and especially to bring in a compensation formula.

When the previous government initiated the university grants system, neither my hon. friend from Levis nor the hon. member for Laurier (Mr. Chevrier), nor any one of their colleagues said a word about compensation. Take it or leave it, they said. Indeed, as a result of that stand, the province of Quebec lost millions—

Mr. Brassard (Lapointe): We did not lose millions.

Mr. Flynn: —millions were lost until 1955. The hon. member for Lapointe (Mr. Brassard) should check before he tries to contradict me. It is only later that the previous government decided that the amounts would remain in the custody of the Canadian universities foundation.

When we came to power, we recognized the claims of the province of Quebec and offered a compensation formula which the former administration had accepted and which the new administration of the province of Quebec —which is much closer to our hon. friends— has accepted again.

That was a practical attitude. It was not only wind and idle talk. Those were not meaningless and unrealistic formulas which could

not apply under the present legislation. That is not what we offer. We keep both feet on the ground and we shall not imitate the political expediency of the Liberal party; we shall not follow them on that road.

Mr. Chairman, I do not wish to clear up that point for the time being, but if my hon. friend insists, I shall come back to it.

Mr. Deschatelets: Mr. Chairman, I think the moment would be well chosen for the minister to explain why, during the last election campaign, he and his friends kept on criticizing all joint plans and promising they would abolish them all, and why now, in spite of such statements, they have maintained them.

Mr. Flynn: Mr. Chairman, during the last election campaign, I never said a word about abolishing joint plans. I could send my hon. friend the publicity pamphlets I had distributed in my constituency. What I did say was that our government was in favour of a return to maximum fiscal responsibility for the provinces. That is what we have achieved. My hon. friend is talking through his hat when he attributes to the Conservatives from the province of Quebec the attitude he has just described.

An hon. Member: We will prove the contrary to you.

Mr. Bourget: Mr. Chairman, I should like to say a few words following the remarks made by the Minister of Mines and Technical Surveys (Mr. Flynn).

I think the people, especially the people of the province of Quebec, will be anxious to read the remarks he has just made. I find it strange that the government members from Quebec, including the minister, the Secretary of State (Mr. Dorion) and the Minister of Transport (Mr. Balcer), after four and a half years in power, should say to us today: the Liberals are to blame for the fact that these joint programs must continue to exist.

Well, I remember the stand taken by our opponents during the 1957 and 1958 electoral campaigns, and even before. I do not have here the statements made by the ministers, but I remember, among other things, that during a television broadcast the Minister of Transport, speaking about the joint programs and the trans-Canada highway in particular, said that they violated the autonomy of the provinces. I hope that the minister will not contradict me on that point.

Mr. Flynn: I am sorry, but I did not hear him.

[Mr. Flynn.]

Mr. Bourget: Well, the minister is not the whole party but he is well aware of the impression that was created; he knows that what has been said in the province of Quebec in 1957 and 1958 was to the effect that all these joint programs encroached upon the autonomy of the provinces. The minister may deny it, but I believe that the whole population of the province of Quebec admits it is true.

Well, once again, I say that during the elections of 1957 and 1958, you stated that you had found a means to put an end to those joint schemes. Yet, you have been in power for four and a half years, and have changed absolutely nothing. It is not up to the Liberal party to change the situation or legislation. You are the ones in power at this time, and you are responsible for the administration. Well, why don't you change those schemes?

What are you waiting for? Are you waiting to be defeated in the next general election? And that, indeed, is what will happen.

As far as we are concerned, Mr. Chairman, nobody can accuse us of having swerved from our course. Indeed, we have always expounded a policy—

Mr. Tremblay: Now, that is a good one—a very good one indeed.

Mr. Bourget: Mr. Chairman, I again hear the hon. member for Roberval (Mr. Tremblay). I am told he will rise in a moment, and I hope he will be present—

Mr. Tremblay: Certainly.

Mr. Bourget: —when the question is put. I hope his colleagues from Quebec on the government benches and himself will not scurry out when the vote is taken. If they vote against that item, we will be able to see the division which now exists within the Conservative party. On the other hand, if they vote in favour of it, they will deny not only their past, but all the speeches they made against those joint programs.

Mr. Tremblay: Not at all.

Mr. Flynn: Mr. Chairman, I formally deny that, during the last election, the Conservative party in the province of Quebec as a whole adopted an attitude of complete opposition to the joint schemes, and it is, anyway, very easy to establish that many of those joint plans were accepted by the province of Quebec—

Mr. Bourget: Which plans?

Mr. Flynn: —and therefore it would have been completely inconsistent for us to oppose them, even from a tactical point of view.

Hon. members in the opposition should know that our main course during the last election was to relieve the provinces from the fiscal burden that had been placed upon them. I formally deny the statement just made by the hon. member for Levis.

Last year, we voted in favour of this act. We shall now vote for this item, and if anybody reverses his course it will not be on this side of the house, but on the side of my good friend, the hon. member for Levis.

Mr. Denis: Mr. Chairman, the only conclusion which can be drawn from this discussion is obviously that, due to the famous provincial autonomy of the Union Nationale, the province of Quebec lost hundreds of millions of dollars by re-electing the Union Nationale government, which has fortunately disappeared.

Mr. Flynn: You did not offer any compensation at that time.

Mr. Denis: You have repudiated what the Liberals had done—

Mr. Flynn: Not at all.

Mr. Denis: —from 1954 to 1957, and not only do you approve today what you repudiated at the time, but you go still further and vote twice.

Mr. Chairman, I notice that the hon. member for Roberval, having been expelled from this side of the house for being too noisy—

Mr. Flynn: Order.

The Chairman: Order. I do not believe that it is the responsibility of the hon. member for St. Denis to discuss the question of the distribution of seats in this house. His comments are not relevant to the present discussion. I would therefore ask him to stay on the item now before us.

Mr. Denis: I simply pointed out the fact that the hon. member for Roberval is now in a seat that is not his, and I did so in the interest of the hon. member to whom this seat was given, for I am convinced that he would not be too happy to be mistaken for the hon. member for Roberval.

Mr. Flynn: Order.

Mr. Caron: The hon. member for Roberval should also be called to order.

The Chairman: The hon. member for St. Denis has the floor, and I would ask the hon. members—

Mr. Caron: And also the hon. member for Roberval.

The Chairman: —not to interrupt him. I would moreover ask the hon. member for St. Denis to confine his remarks to the estimates now before us.

Mr. Caron: And especially the hon. member for Roberal. I suggest he should be named.

Mr. Denis: Mr. Chairman, we are now being asked to vote an additional sum of $28 million, and I would very much like to know from the Minister of Labour (Mr. Starr) what proportion of this additional sum will be handed out to the province of Quebec.

If I understand correctly, the item deals with joint plans, and also with certain works concerning the construction of schools for technical and professional training, or for the teaching of certain trades which come under the purview of the federal government.

Thus I am asking the minister to tell the house if, as a result of this great project which is being promoted by Conservative ministers and members from Quebec at Lauzon, the Sulphur Converting Corporation proposes to look after the building of a technical school in that community—

Mr. Tremblay: Order.

Mr. Denis: —since, for the construction of these wharves which cover a distance of 30 miles, tradesmen, craftsmen and divers, will probably be needed, for the carrying out of federal works?

An hon. Member: You would have been an excellent one yourself.

Mr. Denis: Mr. Chairman, I wonder how much money the province of Quebec will receive under this vote, for this project should give employment to more than 4,000 unemployed in the province of Quebec, and we shall probably need mechanics and mining experts and workers to build wharves, etc.

I also ask the minister if, in this increase we are asked to vote, an amount is provided for the construction of industrial arts and trades schools in the Lauzon and Levis areas so that, should this project become a reality, the province of Quebec will not be caught off guard but will be in a position to train skilled workers, experts who could successfully carry out the famous project of the Surphur Converting Corporation.

Mr. Tremblay: I do not intend, Mr. Chairman, to get involved in a lengthy debate and try to answer the arguments put forward

by some members opposite who indulge in too great a complacency. But some hon. members have tried to involve me in the discussion of a project which I feel did not, as was indicated by the Minister of Mines and Technical Surveys (Mr. Flynn), called for an examination of the principle of the act, since we are now asked to vote an additional amount required so that this technical and vocational training program may be carried out as it should be.

I do not know that it is relevant to bring up the general principle of the act as well as the general economics of the act. It seems to me that this is simply a matter of finding out from the minister concerned to what extent and under what conditions those additional millions we are asked to vote would eventually be spent. However, the hon. member for Levis (Mr. Bourget)—following the example of hon. members of the ex-C.C.F. party, now known in the province of Quebec and elsewhere as the New Democratic party—extended the debate and set out to examine the general principle of the act, bringing up the economics of all those measures. That is why I should like, for the information of the Liberal members, to make some remarks which I hope are as much in order as those of our excellent comedians opposite—I regret that this is not a parliamentary expression—I should rather say our very good friends opposite.

Mr. Chairman, the hon. member for Levis challenged us last night to take a stand on that question of joint plans. I should like right now to calm his over-scrupulous conscience and put the facts before him.

As far as I am concerned, never have I stated that those joint plans should be abolished. I have never made such a statement but, in the election campaigns in which I had the pleasure to take part, I have been critical of the federal fiscal policy of the Liberal party. I have said and promised to my constituents that the Conservative party would throw off, as the Minister of Mines and Technical Surveys said, the yoke under which the Liberal party had held the province of Quebec. That is our stand and it is in that light that I promised to insist in this house on the rights of the provinces. That is what we have done, I think, and as for results, the public will be in a position to assess them in due time and, I hope, in a very near future.

Mr. Bourget: So do we.

Mr. Tremblay: Mr. Chairman, the hon. member for Levis challenged us to speak out on that question, but he did not do so with a view to enlightening this house in a positive and efficient way. He did not do so with a view to clearing up the confusion which his party has maintained, but simply in order to save face and with the clear intention of saving the Hon. Jean Lesage, who having previously been an anti-autonomist has now shifted to a verbal autonomy, and who would like to get us involved in a conflict which he has himself helped to bring about and maintain when he was the instigator of all those centralizing measures which the province of Quebec had to put up with and still has to put up with now.

The hon. member for Levis was very shrewd last night—that is as much as he can be—and in reading his pamphlet he gave us a foretaste of the odious propaganda of the Liberal party during the next general election.

He read us an advertising booklet in which his party states that it intends to give up joint programs. I understand that the advertising booklet he read last night mentioned that question of joint programs because Mr. Jean Lesage came here barely a few weeks after his election, draped in the cloak of autonomy, and said to whoever would listen to him that the province of Quebec wanted the federal government to withdraw from all the joint programs. That is why the members opposite are embarrassed today and must take a stand they always opposed when they were in power.

I challenge them to say the contrary, in particular I challenge them to ask Mr. Jean Lesage to claim now what he announced when he took part in the federal-provincial conference in 1960.

If Mr. Lesage has decided to withdraw from joint programs, he should say so, just like Mr. Duplessis used to tell the government in Ottawa what he considered to be an encroachment on the autonomy of the provinces.

Under those circumstances, we shall be extremely pleased to examine the concrete proposals made by Mr. Jean Lesage, but we hope that he won't turn about, as he did very recently in the matter of university grants. He had come here, all primed to the occasion, and he had requested much more than he is now claiming.

Mr. Chairman, coming back to my point about that article of the Liberal joint plan program, I would point out to the hon. member for Levis, who admitted his legal ignorance yesterday evening, that the article of his party's program is merely a diversionary measure designed to save face and minimize the embarrassment of Hon. Jean Lesage in Quebec.

This significant article reads as follows:

In this field, Ottawa must help set up such assistance programs throughout the country; how-

ever, the federal government should not remain in those programs indefinitely, because it would lead to administrative difficulties in the long run.

And further on:

Thus, the federal government could propose other joint programs if they should prove necessary.

This last paragraph is a cause of concern to me, because it seems obvious that the Liberal party, if it should unfortunately return to power, intends to set up other joint programs and disregards the views of the provinces in this matter.

Besides, Mr. Chairman, the hired thinker, the thinking master of the Leader of the Opposition expressed himself most clearly on this subject in his book "The Canadian Federalism". On page 254, I find this paragraph that I want to read into the official report.

Finally, the fight against recession requires a preliminary phase of preparation, especially when a program of public works is involved. You have to be prepared to prevent crises. Public investment projects are fully effective only when it is known beforehand what they will cover, when and how they will be carried out. Since the provinces are unable to finance such projects by themselves and since the federal government cannot take them over exclusively, the implementation of joint programs to prevent a recession calls for previous agreement between the various levels of government.

Mr. Chairman, I would ask you to pay close attention to the end of the paragraph which condemns the autonomist attitude of the province of Quebec. I should like to have the comments of the hon. member for Levis after I have finished reading the following:

Every time the federal government has tried to discuss such projects in the past, some provinces have refused to co-operate, with the result that we have no agreements at present and we are far from being properly protected against any crisis that may occur.

I would be most happy to see how the hon. member for Levis can reconcile these words with those expressed by Mr. Maurice Lamontagne, his leader's adviser. The hon. member insisted, last night, that taxation powers be returned to the provinces, a view which is not shared by Mr. Lamontagne. Here is what he said—

The Chairman: At this stage, I feel it is my duty to interrupt. Much as I want the hon. member to have every possible chance of answering questions which have been raised in this house, nevertheless, I do not think he should go farther away from the item before us. His observations should relate to this item and he should set aside references and comments not connected with it.

Mr. Tremblay: I thank you, Mr. Chairman. In compliance with your request, I am quite willing to deal, as much as possible, only with the matter we are now discussing.

I merely wish to insist on what the hon. member for Levis said concerning the return of taxation powers brought about by the withdrawal from the joint schemes he mentioned. Here is what Mr. Maurice Lamontagne had to say and which seems to illustrate the Liberal policy:

In a system marked by economic instability, the federal government cannot consider taxation only as a source of revenue: it becomes above all an economic control instrument towards stability.

The Chairman: It is precisely at that point that I intervened to ask the hon. member to abide by the rules I had laid down and I do hope he will do so.

Mr. Tremblay: I thank you. I now come back to the subject matter.

I was saying, at the beginning of my remarks, that the C.C.F. and Liberal members—

Mr. Denis: And the separatists.

Mr. Tremblay: —showed, yesterday evening, perfect unconstitutional collusion, in connection with this additional amount for the technical and professional training program, in criticizing education in various provinces, and in indicating that the federal government had certain responsibilities in the field of technical and vocational training programs. The federal government's responsibility is that which the Minister of Mines and Technical Surveys has defined a moment ago.

Before closing my remarks, I should like to come back to what the hon. member for Essex East said about the matter, which seems to me very ambiguous, and which is to be found on page 1801 of *Hansard*:

I suggest to the minister it is possible without violating the constitutional provisions of the British North America Act for the federal government to take cognizance of this fact.

Well, expressions such as those seem extremely ambiguous and appear to extend beyond what is strictly constitutional the responsibility of the federal government.

I repeat that I shall be very glad to hear the hon. member for Levis explain to us how he reconciles his attitude with regard to joint programs with that of Mr. Maurice Lamontagne and with the attitude adopted by his party for so many years, which finally brought about the constitutional crisis the Conservative party has tried to solve ever since it came to power.

In this connection, I would very much like to hear also from the hon. member for Lapointe (Mr. Brassard) who, I imagine, does not go so far as to share the opinion of his colleague from Hull (Mr. Caron), who considered that provincial jurisdiction in educational matters did not extend beyond elementary teaching.

I should like the hon. member for Lapointe to explain to us his exact attitude with regard to joint plans. I also should like him to tell us once and for all before the wave of Liberal demagogy swamps the province of Quebec, what attitude the Liberal party exactly did take in the past, what part of that attitude is today repudiated by the Liberal party and what the new principles and the new criteria of Liberal policy are in matters of constitutional relations.

That is what I should like to know, learn and hear from the very lips of those who promoted the constitutional disintegration of this country.

(Text):

Mr. Winch: Mr. Chairman, the discussion on supplementary estimate No. 636 has been lengthy, interesting and upon occasion somewhat heated. I have not risen to speak on this item until now, so I hope I will be allowed to say a few words about it. One of the reasons I felt I wanted to speak was the continuation of remarks such as those made by the hon. member who has just resumed his seat. In discussing these supplementary estimates we are not discussing the constitutional issues revolving around education. These have been settled by the British North America Act.

Mr. Flynn: Would the hon. member permit a question?

Mr. Winch: Nobody has challenged the constitutionality—

Mr. Flynn: Would the hon. member permit a question?

Mr. Winch: Yes, as soon as I sit down you can ask all the questions you like.

We are interested in one thing only, and that is vote No. 636. Unfortunately, for some reason or other the debate on this estimate has evolved into a series of charges and countercharges and the trading of abuse, to some extent based on statements which are politically expedient or used as camouflage. If they have to be said at all, then they should be said on the hustings and not in the House of Commons. Vote 636, Mr. Chairman, is very definite, and is to carry out the purposes of the Technical and Vocational Training Assistance Act and the agreements made thereunder. The further amount required is $28,400,000.

The first basic principle we have to accept is this. It is necessary and constitutional that, a further amount being required under an act previously passed, the government has come to us for that additional money. This is being done today. It is also a basic fact that we are now faced with a *fait accompli*. This money is already owing to the provinces or the municipalities or has been committed. I say, therefore, that this is a *fait accompli* because if this parliament does not vote this money then, if my memory is correct, those who sign the contracts on behalf of the government can be held legally responsible to pay the money. Let us not have all this talk about voting for or against the estimate before us. Certainly we can all agree on that, so let us not have any more talk about how you are going to vote. If you have been in parliament for any length of time, you know what you have to do.

This additional sum of $28 million is required to carry out the purposes of the Technical and Vocational Training Assistance Act. We must then consider the question of the planning which has been done in connection with this expenditure, and properly so, and particularly how the purposes of the act are being carried out.

I do not know of anyone in this house, and certainly I do not know of anyone in our group in this corner, who is opposed to the principle of technical and vocational training. We have been speaking on the need for it for years. We completely support the principle, and we are glad the federal government has actually taken the position of offering to pay 75 cents of every dollar expended for capital equipment, construction and so on for vocational training.

However, surely this is the time for questions to be asked as to the planning that has taken place between the federal and provincial governments to ensure 100 per cent efficient use of these buildings, and to ensure the fulfilment of the purpose for which the act was originally passed. I believe these are very simple questions and they were clearly put, despite all the sham battle that was put up in an attempt to overcome what was said by the hon. member for Peterborough. The questions are there. Because we want to see these expenditures lead to efficient results, because the federal government has now accepted responsibility for almost $200 million of capital expenditure for construction and equipment, we feel that the government can tell us they are not just offering this as a gift from Santa Claus but have done some planning in co-operation with the provinces so they can tell us we are not going to have thousands of empty classrooms and dozens of beautiful schools.

Surely this has been done in co-operation with the provinces who have knowledge as to their jurisdiction in connection with both teachers and curriculum. We are asking what the minister knows, because by the time we

have passed this item we will have voted $200 million. I know the provinces recommend, but surely the federal government examines what the provinces recommend in so far as teachers and the training of the students is concerned. Now, this is a series of simple questions. Why it has got beyond that and has gone through a number of speeches I completely fail to understand.

I said I was only going to speak for two or three minutes, and that is all I shall say. Will the minister, recognizing the interest of a great many hon. members in the construction of vocational and technical schools and technological institutes, and their interest in knowing this capital expenditure is being made on such a basis of federal-provincial understanding, knowledge and planning, ensure that the students will receive the training which our advancing system of technology requires, and that the teachers will be ready and available when the schools are opened? To me the entire issue is as simple as that.

I hope we can have some comment from the minister and that he will take these questions in the spirit in which they are asked. We are asking only reasonable questions, not political ones, because irrespective of party differences and differences in political philosophy we all agree in regard to education that everything should be done for the future of our children and that every dollar should be spent on a basis of a dollar return for a dollar spent.

Mr. Starr: I am glad we have come to the basic things for which this vote stands. So far as the questions asked by a number of hon. members who have participated in the debate are concerned, I would point out there is provision under the technical assistance training act for federal government participation up to 50 per cent of the financial cost of training teachers for the courses that will be undertaken in the schools being built under this program. This is something which certainly had to be, because schools are not of any use unless you plan to have proper teachers manning them and also proper administrative staffs. There is also provision in the act for 50 per cent participation in the cost of training of administrative staffs.

The provinces have undertaken a program which will accommodate up to 850 teachers per year. Broken down, the figures are British Columbia 50, Alberta 50, Manitoba 50, Ontario 400, Quebec 100 and New Brunswick 200.

Mr. Winch: Are they teachers of a vocational and technical nature?

Mr. Starr: I want to give further information which I think will answer that question. The University of Alberta has established a division of vocational teacher training in its faculty of education and New Brunswick, Ontario, Quebec, Manitoba and British Columbia have all greatly expanded their facilities to meet the anticipated needs for teachers.

Technical and vocational teachers in Ontario are required to be (a) qualified journeymen in whatever trade may be necessary, (b) qualified technicians, and (c) graduate engineers. Each must have completed high school matriculation and each must have five years' experience in industry or occupational life, and must have professional training. In Ontario, in particular, there is a requirement of one year of such training.

These are the criteria that have been established, adopted and undertaken by the provincial governments to bring about the proper qualifications, and teacher quotas have been set based on the number of teachers needed. The provinces are pressing on with the training of these teachers. In Ontario 300 are presently undergoing such training and another 300 will start training as soon as the first group have finished their course.

Several questions have been asked and certain criticism has been directed at this program. For instance, it has been said that the training classes now being carried on would not meet the training needs of the day by virtue of the fact that training was being given in obsolete trades. Perhaps the committee is not aware of the fact that there are trade advisory committees for almost every school in the country and every program, and in addition there is an advisory committee in each province, each committee having representatives from both labour and management. There are also provincial selection committees who are responsible for making recommendations with regard to the training needs of the provinces in relation to the unemployed and disabled and the apprenticeship trades. There is representation on these committees from the national employment service acting in an advisory capacity, as well as from employer and labour organizations in most cases.

It has been stated that there was no consultation with labour and industry with regard to this training program. However, I would like to emphasize that this consultation is constantly maintained by virtue of the fact that there is representation not only at the local level but also at the provincial and national levels. During the past year the Department of Labour has also retained the services of a consultant from industry to assure that our approach to industrial training is in line with the needs of industry in Canada. The department has also worked very closely

with various committees in the Canadian Manufacturers' Association, the Canadian Chamber of Commerce and other labour and management groups, in order to assist us in ensuring that training programs are in line with industrial needs. I am sure the hon. member for Vancouver East will be interested to know that this consultant has crossed Canada several times, consulting with employers and other groups.

In addition to this we have a research program dealing with the impact of technological changes on manpower, and this is specifically designed to ensure that the development of our training programs is in line with the change in technological needs of the Canadian economy. We have all this research. We know where we are going in this respect and we are trying, as we go along, to find out what the needs will be in the days ahead so that we can plan to meet them, along with the provinces.

An accusation has been made that schools are being built where there is no need for them. If any hon. member of this committee knows where a school is being built where there is no need for it I would wish he would give us that information; because we are advised through these various committees, the provincial departments of education and the school boards that these schools are needed. Each and every school board is pressing this need, and I am certain that pressure is based on actual need as shown by research and after consultation with labour and management in each area. Certainly it has never been brought to our attention that there is no need for any of these schools that are being built.

When we approached the provinces at the beginning of this program we asked them to estimate their needs during the next five years in regard to facilities for this type of training. We compiled the information that the provinces gave us and found there would be a need for a 50 per cent increase in the next five years. That is fine, and we hope we will be able to provide these facilities in two and a half years instead of five years. That is all to the good, and is good planning.

We are told that technological changes in industry will be brought about at a more rapid rate. We realize by what was said by President Kennedy not too long ago that the United States expects technological displacement of the labour force from industry at the rate of 25,000 a week. The United States labour force is ten times as large as ours. If that is going to happen there, we can expect displacement at the rate of 2,500 a week as a result of these changes. If you are going to set up a family life you build yourself a house, and I think it is good that we should be planning for the need with which we shall be faced in the years to come.

We are not forcing this program on the provinces. We are asking them to ascertain their needs, and they do that through advisory committees which are at the local level, the provincial level and even the national level. All these people are represented on such bodies, and their views are taken into consideration. I wish to point out also that the provinces are paying 25 per cent of the capital cost of these new schools. Surely they have the immediate responsibility for determining the location of these schools. The charges which have been made imply that the provinces have been wasting the taxpayers' funds in determining the location of these training centres by putting these schools in areas where they are not needed.

I pointed out earlier that the teacher training program is an integral part of our technical and vocational training agreement with each and every province, and that the provinces are rapidly expanding their facilities and courses for teacher training to the extent of 850 teachers per year. The hon. member for Burnaby-Coquitlam made reference to classes for painters at Burnaby. He thought they were ridiculous and a waste of the taxpayers' money. I should like to tell him that these courses are offered as a part of the apprenticeship program of the province following the recommendations of both industry and organized labour, through an apprenticeship advisory committee of which they are members. Surely if there was no need of this training that advice would not have been put forward by these people who are vitally interested in these matters.

With regard to the suggestion that displaced coal workers in the maritime provinces have not been provided with the skills which would enable them to take up other work, I would say that at the present time there are many classes in a variety of occupations which are required by the economy. I can say categorically that every miner who wishes to take up such training has an opportunity to do so.

It has been brought to our attention during this debate that many workers among those who are employed lack the elementary training to enable them to take courses which would give them the skills to enter upon new employment. Some speakers inquired whether any province had asked for financial assistance to enable this type of training to be provided. I am sure the members of this committee will be happy to learn that courses of this kind for unemployed workers are in operation in most of the provinces, and we participate financially to help the provinces to

upgrade the standard of these people so they can take part in further training. I do not think we should dovetail the two aspects of the program. This is a building program to provide the facilities we shall need in the future.

There is also the training of the unemployed under schedule 5, which is an entirely different program. This is a program in which we participate to the extent of 75 per cent of the cost of the training and equipment with respect to training courses established by the provinces in areas where they are needed. I know that in the city of Oshawa, for example, advantage has been taken of this program. When the first class for the training of unemployed was undertaken, some 80 people took part, and the result as reflected in the placement of these people was excellent, well over 60 per cent. All those who completed their training were placed in useful employment. Consequently another course was undertaken, and it is in progress now. This is due to initiative on the part of the province, and we as a federal government can only offer them an incentive to undertake such a program. This we are doing, and we note that this program is gathering impetus and momentum. We are glad that this is happening.

I do not know whether there is anything I can add to what I have said. I hope I have answered the questions which were in the minds of those who took part in this discussion. I do want to assure the committee that we feel this is a worth while program, and that the schools are most necessary to deal with the situation with which we shall be faced in the future. In my own experience and down to earth thinking on this matter I have seen the following situation time and time again. Young people in grades 9 and 10 leave an academic school because they may have an opportunity of getting jobs in industry at that time. However, after a year or possibly two years they find themselves unemployed, and it hits them very hard at that time that they do not possess the skills required to get jobs. They are reluctant to re-enter the school system because their classmates are probably two or three classes ahead of them. These facilities which are now being provided will enable them to re-enter the school system in order to learn a trade and equip themselves so as to fit into useful life again.

Anyone can enter a technical school and take a training course. It is fine and dandy for people to say that the technical institute in Toronto is a marvellous institute. So it is; but how can a person from Belleville attend that school? It is almost as expensive as going to a university. A student has to pay room and board to live in Toronto while attending the school. The facilities now being set up will provide similar opportunities in localities which can easily be reached by those in the area, and will bring about more of this kind of training.

Mr. Carter: I should like to ask the minister two questions arising out of the remarks he has just made. We all want this program to be successful, but I think it is evident to everyone that it can only be successful if it is properly integrated into the educational systems of the different provinces. We know that the systems vary from one province to another. The system in my own province is different from that which exists anywhere else in Canada.

Mr. Starr: That is why there should not be federal direction.

Mr. Carter: Yes. If the minister would let me continue, I should like to say that the degree of integration in connection with this program will vary from one province to another. Take, for example, the supply of teachers. In my own province we have no facilities whatever for training teachers for technical or vocational schools. We have to secure these teachers from outside the province, probably from the mainland, from England or other countries. When they are brought in they might have to be paid salaries that are out of line with what is paid to the ordinary teacher. That, too, is going to create problems for the province.

The first question I wish to ask the minister is this. Have the minister and the department satisfied themselves that the plan for integration of this program into the various school systems in Canada is satisfactory and meets the requirements?

The background of my second question is this. In my own province additional accommodation is going to be provided for 3,000 students. Taking an average of 20 students to a class, there will be a requirement for 150 teachers, which represents a significant training program in itself. In Ontario the student accommodation will be increased to make provision for 70,000 students, which means there will be required at least 3,500 additional trained teachers.

In his statement the minister told us that in Ontario there are facilities for the training of only 300 teachers at a time. He went on to say that the qualifications require at least a year's training. If I understood the minister correctly this means that Ontario can train approximately 300 teachers a year to match the facilities that are going to be provided. Unless the training can be speeded up,

Ontario will require 10 years to provide the additional teachers needed to match the increased accommodation that is going to be provided by the end of this year.

One of the problems arising out of this whole business is the responsibility of the federal government because we put a limitation on the period during which the provinces could benefit from the legislation. All these facilities have to be provided and in being by the end of this year. The provinces cannot afford to pass this up. Of course many cannot afford to take advantage of this opportunity, either, and are caught between the upper and nether millstones. They must try to adapt their finances and plans to accommodate this extra program. Some have telescoped into one year a plan that would probably have been spread over four or five years.

I wish to put these two questions to the minister. Has the minister satisfied himself that the provinces are able to integrate this program into the different systems, and is the department satisfied with respect to the ability of the provinces to train and acquire the additional teachers who will be required to carry out the expanded program and teach the additional number of students?

Mr. Starr: Mr. Chairman, in reply to both questions I would say yes. Elaborating on the second point, I would say that the date of termination applies only to the federal participation of 75 per cent up to March 31, 1963, and then there is a continuation of participation of up to 50 per cent after that date. The federal contribution of up to 50 per cent of the cost of training teachers carries on for as long as the legislation is on the books.

(Translation):

Mr. Brassard (Lapointe): Mr. Chairman, it would be ungracious of me not to accept the kind invitation which the hon. member for Roberval (Mr. Tremblay) extended to me a short while ago. He asked what is my stand on the estimate now before us. In other words, he asked me to do what he himself did not do in the course of his remarks.

My stand on joint plans is very clear: it is the same as that of the leader of the Liberal party.

I should have liked to hear other Conservative members from the province of Quebec, the Secretary of State (Mr. Dorion), the Minister of Transport (Mr. Balcer), the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), and especially the hon. member for Chambly-Rouville (Mr. Johnson).

[Mr. Carter.]

The hon. member for Roberval has quoted an excerpt from Mr. Lamontagne's book on joint plans. I hope he understood perfectly that Mr. Lamontagne in that paragraph refers to depression and recession times. I think there is an important difference of meaning there. Perhaps the Minister of Mines and Technical Surveys (Mr. Flynn) should read this paragraph. In my opinion the difference is important.

Mr. Flynn: I have read the whole book.

Mr. Brassard (Lapointe): That was the first comment I wanted to make. The second deals with the joint plans policy we adopted in 1961 and which is supported by Mr. Lamontagne.

This is one of the basic differences between the Conservative and the Liberal parties. We are not prisoners of the past and of outmoded formulas. The very name of our party indicates that we keep our eyes open, that we are looking forward and that we are trying to adjust ourselves to the present and to the future. This is one of the basic differences between the two parties.

The item discussed today is not the result of a new policy, because ever since 1951, the federal government has contributed financially to the construction of technical schools in this country. In fact if we go back a little, we from Quebec know that it was a few years before the previous government would accept that participation of the federal government and that, even when it had been accepted, some people kept on talking against those federal grants for the construction of technical schools.

Mr. Flynn: Are you talking about the Bilodeau-Rogers plan?

Mr. Brassard (Lapointe): I did not hear the hon. minister's question.

Mr. Flynn: Is the hon. member talking about the Bilodeau-Rogers plan?

Mr. Brassard: I am talking about the plan adopted in 1951, under which financial assistance was provided for the construction of technical schools.

Besides, such attitude is not new. The same thing happened in Quebec with the Colombo plan, the university grants and the trans-Canada highway. Yet, the Conservative members from Quebec came here and supported wholeheartedly an increase of the appropriations in that field, but they did not go back to the scarecrows they had spread about in the province of Quebec for some years.

Mr. Deschatelets: Shame.

Mr. Dupuis: Nonsense.

Mr. Brassard (Lapointe): Mr. Chairman, in his long-winded speech, the hon. member for Roberval has misrepresented the statement made by the hon. member for Levis (Mr. Bourget) concerning joint programs.

If I understood him well, he stated that the hon. member for Levis had favoured doing away with the system of joint programs. Now, what my hon. friend from Levis said —the hon. member for Roberval knows French well enough to have understood—was that the next Liberal government would allow any province that wishes to do so to withdraw from joint programs without losing any advantage in the process.

Mr. Chairman, before I resume my seat, I should like to point out to the hon. member for Roberval and to all his colleagues from Quebec, who have expressed their views most vaguely, that we still do not know where they stand. Do they take the stand of the leader of Quebec's Union Nationale party or that of the Prime Minister of Canada (Mr. Diefenbaker)?

Mr. Tremblay: Mr. Chairman, I would not take any notice of what the hon. member for Lapointe has just said, but since he suggested that I had not expressed my opinion on the matter we are now discussing, I am compelled to put the record straight. The statement he made is false. I did say this: that there was no need to come to a decision at this stage, since we have already expressed our views on this matter. In so doing, I endorsed the statements made by the Minister of Mines and Technical Surveys (Mr. Flynn).

On the other hand, I put a very precise question to the hon. members of the opposition. I asked them to what extent they were repudiating the past stand of their party on joint schemes—

Mr. Deschatelets: He just told you.

Mr. Tremblay: —and according to what principle they were repudiating their past and exactly how they can reconcile their present stand with the one they adopted in the past when they were themselves the sponsors of those joint schemes.

I wish to put once more on record this statement of the hon. member for Laurier, formerly from another province—

An hon. Member: So what?

Mr. Tremblay: —which I quote from the *Nouveau Journal* of October 17, 1961:

> Hon. Lionel Chevrier stated last night that the Liberals in Ottawa were in favour of the progressive abolition, as requested by Mr. Lesage, of the joint federal-provincial programs such as old age assistance and disability pensions.

I am quoting that statement merely in order to address again to the members opposite the question which I asked them, and I would add this. As far as joint programs are concerned, do we find, as is the case for the "patronage" of their friend Mr. Lesage, some programs which are good and some which are bad? What are their principles and how can these gentlemen repudiate their past? I ask them to explain that to us.

(Text):

Mr. Pickersgill: I would not have risen to take any part in this discussion at all, Mr. Chairman, had it not been for the very important declaration of principle which, if I understood him correctly, the Minister of Mines and Technical Surveys made on behalf of the government today. I wish to be sure that I understand him correctly. I therefore wish to repeat what I understood him to say and to underline it so that we shall know where the government stands.

Last evening my hon. friend for Levis set out the position of the Liberal party with respect to the joint programs, and he challenged a member of the government to set out the position of the Conservative party and the position of the government which has the responsibility. After all, as long as we are in opposition all we can do is put forward a program which we will carry out when we come back into office. However, hon. gentlemen have the responsibility for carrying out these programs right now.

Today I understood the Minister of Mines and Technical Surveys to say something that has never been said before, to my knowledge, by any member of this administration. I understood the Minister of Mines and Technical Surveys to say that it was the policy of the government that if any provincial government approached them and indicated it did not wish to participate in one of these programs, they would consider giving that government compensation. If he did not say that, I wish he would tell me what he did say and I will allow him to interrupt me right now.

Mr. Flynn: When the hon. member reads *Hansard* I think he will find that is not what I said. I said that whenever a province objected to a joint program because it felt that it violated its autonomy or was beyond its legal capacity, we have shown in the past in connection with the university grants that we were prepared to adjust or to adopt a form of compensation. This is the attitude that I think this government has taken, and this is the interpretation that should be given to the attitude of this government, not that

contained in wide, sweeping statements like the ones made by the hon. member for Levis, which mean nothing and which it is impossible to carry out.

Mr. Pickersgill: If the Minister of Mines and Technical Surveys means anything by his words—and it almost appears that he does not mean anything—he has said exactly what I said.

Mr. Flynn: No.

Mr. Pickersgill: If he has not said it, of course, it is an example of the usual case with this government. They express themselves so badly that no one can understand what they say, just as was the case with the Minister of Finance who gave notice that certain people were not being paid and then when we inquired into the matter we found they were being paid.

Mr. Flynn: I will leave the hon. member with the last word.

Mr. Pickersgill: The minister is not going to get off with that statement. I am glad the minister wants to leave me with the last word. However, I would rather leave him with the last word, as the people of this country are entitled to know where the government stand.

The Chairman: Order. I think I shall have the last word and call it one o'clock.

Mr. Pickersgill: In the meantime I shall be able to get the minister's words.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Pickersgill: Your Honour will recall that when we adjourned for lunch I was trying to reconstruct in my mind and with the assistance of the minister, which assistance I will still welcome, precisely what was said about the rather obscure attitude of the present government with respect to these shared programs. About the only way in which I think I can do this is to do so by way of catechism, which the minister will understand, and see if I arrive at a correct interpretation; because I assure you, sir, that the last thing I want to do is to do any injustice to the minister who is zealous, young and inexperienced and who, unlike his colleagues in the government from the province of Quebec, actually seems to want to debate the issues before us, which is a refreshing change. I say that in all sincerity, sir, and without wishing to injure the minister by complimenting him.

I reflected during lunch time about something that had temporarily escaped me when I first spoke in the minute or two before lunch, and it seemed to me that I recollected that the minister had said that there were three kinds of joint programs. If I am wrong in anything I say I should like the minister to correct me because I am merely trying to get the basic facts straight. I think the minister said that there were certain kinds of joint programs that were within federal jurisdiction. I know we cannot debate that point now. I would love to debate it with the minister and I should like to ask him to name one, because I have had long experience in dealing with provincial governments in one capacity or another, as a bureaucrat and then as a politician, and I have never seen a provincial government yet that was ever willing to spend one plugged nickel on anything that was within federal jurisdiction. If there is any such joint program that is within federal jurisdiction, it has certainly escaped my eye. However, I think the minister said there were such programs and perhaps on some other occasion we can debate them. In any event, I think no one would suggest that the provinces should get compensation for the abandonment of any program that is exclusively within federal jurisdiction. That would be ridiculous.

I thought the minister then said that there were some programs that were really joint. They could only be in agriculture, in immigration or in old age pensions because under the British North America Act those are the only three fields in which parliament and the legislatures have concurrent jurisdiction. There are a few projects in the field of agriculture I know about, such as maritime marshland development and things of that sort, that presumably come under the legislative jurisdiction over agriculture, which this parliament shares with the provincial legislatures.

I have never known a province to show much enthusiasm with regard to doing very much about immigration, except to criticize it. Perhaps that statement is a little bit unfair. There was a period at the time of the refugee program when some of the provincial governments were very generous indeed: I do not want to make any unfair reflection on them. But that is a very restricted field and not the field about which I think we were talking.

With regard to the third type of program I want to be very careful to choose the right words and as far as possible words that lend

themselves to easy translation from one official language to the other. I have reference to those programs that deal with fields of jurisdiction within the legislative competence of the provinces, and that is all that the hon. member for Levis, the hon. member for Lapointe and I have been talking about. Those are the only fields to which the program of the Liberal party has any reference, only those things that are exclusively within provincial jurisdiction.

Mr. Flynn: I am very glad to hear that.

Mr. Pickersgill: From the date it was inaugurated the trans-Canada highway was recognized to be competely within provincial jurisdiction.

Mr. Flynn: That is not what your friend said.

Mr. Pickersgill: The federal government undertook to assist financially, and that is all that we have ever done. Nobody has ever pretended that the highway itself would be owned by Canada. The highway is owned by the provinces. But the friends of the friends of the minister—I have to be very careful about this—

Mr. Flynn: When you go as far as that I think we both have the same friends.

Mr. Pickersgill: Oh, no; I was referring to the Union Nationale, if I may put it plainly.

Mr. Flynn: The friend of the friend was Mr. Smallwood.

Mr. Pickersgill: I am using the word "friend" in the correct parliamentary sense of political friends, and I have never made any pretensions of being a political friend of anyone connected with the Union Nationale. One hon. gentleman over there objected. He considered it an insult for me to refer to them as his friends, but I take it that the minister does not. At any rate, it is a well known fact that Mr. Duplessis objected very strenuously to the trans-Canada highway and to a great many other joint programs as invasions of provincial rights. It is also well known to some of us who were here before the minister came to this parliament that the hon. member for Three Rivers also objected violently to these programs and voted against them in this house on many occasions. I noticed that the minister was very skilful and clever in his reply in talking about the election in 1958. In the election of 1958 the Conservatives were rather muted about this, but if it were not out of order we could easily document the main line taken in the election of 1957 and taken for a while afterwards by the hon. member for Three Rivers who is the leading spokesman for the Conservative party in Quebec in this house. That line was that these joint programs were an invasion of the provincial field.

It is very interesting to observe what is said in a little booklet called "Four Years of Action for Canada and Canadians" published by the Tory party. I do not know whether they published a French translation—

Mr. Flynn: They did.

Mr. Pickersgill: —but if they did it shows even greater effrontery because whereas they formerly said that these joint programs were an invasion of provincial rights they are now boasting that they have more than doubled them in four years. So if the Liberals were invading the provincial field—

Mr. Flynn: I rise on a point of order, Mr. Chairman. The hon. member for Bonavista-Twillingate has been going very far indeed. As I said before to the hon. member for Levis, I do not mind discussing everything that the hon. member is now raising. However, he is going very far and I think he should restrict himself to the point with which he started.

Mr. Chevrier: He is answering you.

Mr. Flynn: I am willing to clarify any obscurity the hon. member may find in what I said. However, if he continues as he has been, I submit the debate will never end. We will not only be discussing joint programs, but the estimates of every other department. In this regard, I agree with the hon. member for Vancouver East.

Mr. Pickersgill: On the point of order, Mr. Speaker, I should like to say that I am discussing exclusively the point made by the minister. I am seeking to find out what the policy of the government is in respect of these joint programs. I had to eliminate all these things the minister created by devising three kinds of joint programs. One kind does not exist at all; the other kind has a very limited application, and we are discussing the only one that has real application.

I am sure the minister would not dare claim that the federal government could go into any province in this country and establish technical schools because that would be a clear invasion of provincial jurisdiction.

Mr. Flynn: I did not say that.

Mr. Pickersgill: I am not saying that the minister said that.

Mr. Flynn: You are clouding the issue.

Mr. Pickersgill: The hon. gentleman did more to cloud the issue than anyone else, but his cloudiness was moderate compared with the cloudiness of the hon. member for

Roberval and not one member on this side sought to raise a point of order or to restrict the debate. It is only when an opposition member tries to speak that we have these constant points of order—

An hon. Member: Not at all.

Mr. Pickersgill: —and particularly by the retired chairman, who should make his retirement complete.

Mr. Flynn: Will the hon. member permit a question? Does the hon. member know what closure in reverse might be? That is about what the hon. member has been doing.

Mr. Pickersgill: The hon. member has asked me a question which is quite in order, and if the Chair would permit I should like to speak for about 40 minutes on closure. I would have a great deal to say. I know the Chair would not allow it, and I am not suggesting it. I say that the minister should realize he has retired from the chair now and is a minister of the crown. He has a very heavy responsibility of his own, so he should leave to the Chair the responsibilities of the Chair and we would make more progress.

I realize that the minister, who is not a stupid man—I concede that at once—is trying his best to get me off the point. I want to stay on the point because I want to find out, if I can, whether or not the minister was expressing the policy of the government this morning. Every time I attempt to define it, the minister says it is not that and then he gets up and says the same thing in exactly the same words. I should like to know if I have this correctly. As I understand it, the minister said—I am referring to the notes I made when he spoke before lunch—it is only when a provincial government feels the federal law affects its exclusive jurisdiction, and I am not sure I got his exact words, that the federal government would consider a formula for compensation. Is that it? Then, I suppose this is the policy of the Minister of Finance and the Prime Minister as well as the other members of the cabinet.

We had, under our constitution, until the present government came into office, the doctrine of collective responsibility. When a minister of the crown speaks in his place in the house, he is speaking for the government, so we are entitled to assume that is now the position of the Diefenbaker government. I use that term advisedly because the old terms are not in much favour any more with this government. In other words, sir, and I think even the minister will find it hard to declare this question irrelevant, that means that if Mr. Lesage comes to Ottawa and says, we feel that this federal law we are now discussing affects the exclusive jurisdiction of the province, the federal government is then ready to discuss compensation to the government of Quebec in substitution for this program. This is the plain meaning of what the minister has said, and the only meaning which can be attributed to it. I may say that was the precise position that was taken by Mr. Lesage in July, 1960, at the federal-provincial conference and was the precise position taken by the Liberal party at its national rally in January, 1961.

It is interesting to discover this degree of progress being made in the government since the minister joined it. Usually it takes about a generation for the Tory party to accept the position taken by the Liberal party, but it has only taken a little over a year this time. A year ago in January the Liberal party laid down this policy of compensation in the case of a province which wished to withdraw from a joint program. Today, on March 16, and this should be a red letter day, through the mouth of the Minister of Mines and Technical Surveys the Diefenbaker government has accepted that Liberal program as enunciated in January, 1961.

Now, that is the point, sir, and you will appreciate that it would have been very unfair to the government to leave this matter in any doubt. It was for this reason I sought to carry the minister along on each point and make sure he did not disagree with anything I said. I say this marks a great advance on the part of the government and I congratulate the minister for having moved his colleagues so far so fast. I just wonder if the Minister of Finance will not be in here before the day is out or on Monday at least, to repudiate what the minister has said.

(Translation):

Mr. Flynn: Mr. Chairman, I will not speak very long because I know that my hon. friend from Bonavista-Twillingate would like to have the last word, but it is obvious that I cannot leave his question unanswered in the official report.

He interpreted what I said rather well. I said that we had established, under the terms of the legislation concerning grants to universities, the principle of compensation in case a province should consider that a law enacted or a decision taken by the federal parliament violated its legislative jurisdiction. My learned friend can draw the conclusions he will from my remarks, but they stand.

Second, I will explain my thoughts to him a little more clearly by saying that our position is to allow the provinces to initiative all the programs that fall within their jurisdiction.

That is why we thought it was essential, first of all, to hand back to the provinces the fiscal capacity, and especially the fiscal responsibility which would allow them to get rid of the obligation to fulfil duties imposed upon them by the constitution. That was all I said.

Of course, the hon. member could lead me into other fields, and I shall gladly meet his challenge in those fields, when I have the time and when my taking the floor here is not too demanding on the house's time.

(Text):

Mr. Pickersgill: There is just one word I should like to say in reply to the diversion created by the minister. I am not going back to my other point. The minister, who was so anxious to observe the rules a while ago, is now talking about the fiscal agreements. The minister knows, or ought to know, that so far as Quebec is concerned no change has been made whatever by this government in the juridical position. Quebec never had a tax agreement. Its taxing rights were never in any way limited, so this government has made no change in that respect whatever. All the words the Tory ministers and members may use will not alter the plain facts which are known to every objective person.

(Translation):

Mr. Denis: Mr. Chairman, may I put a question to the Minister of Mines and Technical Surveys? Is it not true that this morning—

An hon. Member: Go and consult your charter of Mr. Martineau.

Mr. Denis: Is it not true, Mr. Chairman, that this morning, the Minister of Labour stated that out of the amount provided for under this item, a certain amount was earmarked for the training of technical and vocational school teachers? Therefore, that concerns education and since the minister states that education comes under the jurisdiction of the provinces, is it not true that the minister is now approving what he rejected in the good old days of the Union Nationale?

An hon. Member: Do not bother to answer that, it is not worth it.

Mr. Flynn: Mr. Chairman, this refers to the training of technical school teachers, which comes under the province and is accepted by the government which is sympathetic to my hon. friend.

Mr. Denis: Is it not true, Mr. Chairman, as regards another joint program, unemployment insurance, that the minister is approving today what he was opposed when the Union Nationale party was in power?

Is it not true that, together with the Union Nationale and its supporters, he denied workers unemployment assistance, a fact which our Conservative friends today refuse to admit?

Mr. Bourget: I should like you to call the yeas and nays on the item now before us.

(Text):

Item agreed to: Yeas, 63; nays, nil.

(Translation):

Mr. Rouleau: Mr. Chairman, I rise on a question of privilege. On two occasions, that is before lunch and again a while ago, the hon. member for Roberval said that the hon. member for Dollard should pay his debts in L'Abord à Plouffe. There is absolutely no truth in that statement and I publicly declare, in this house, that I have no debt whatever. I feel the hon. member should accept my word. Furthermore, insinuations such as these are not allowed in this assembly.

Mr. Chairman, pursuant to the question of privilege I have just raised, I ask the hon. member for Roberval to withdraw his words.

Mr. Dupuis: Certainly.

Mr. Rouleau: The insinuations made by the hon. member for Roberval reflect on a member of this house. I declare that I have no debts and I ask him to take back his words.

The Chairman: On the question of privilege, I suggest that the hon. member for Dollard (Mr. Rouleau) should have raised it when the statement was made.

Moreover, I am not sure whether the words that the hon. member takes exception to are on the record, but in any case, I think that the subject should be closed.

Mr. Rouleau: Mr. Chairman, I appeal from your decision.

Mr. Caron: Report to the Speaker, that is the only procedure to follow.

Mr. Flynn: Mr. Chairman, with regard to the question of privilege raised by the hon. member for Dollard, I do not believe that the decision of the committee chairman could be appealed unless a formal motion is introduced. I feel that the hon. member for Dollard will agree with this point of view.

(Text):

Mr. Bourget: Ask him to withdraw. It is simple. If he is a gentleman he will.

Mr. Pickersgill: On the point of order raised by the hon. member, I think perhaps Your Honour did not appreciate that the remark to which my hon. friend took exception was made while the vote was being taken and it would be against the rules for the hon.

member—indeed it would be impossible for him to rise while the vote was being counted. He rose immediately afterwards and perhaps Your Honour did not observe that.

The Chairman: I did not hear the remarks alleged to have been made and I was under the impression these were remarks made in this morning's session.

Mr. Chevrier: Oh, no.

The Chairman: As the hon. member for Bonavista-Twillingate has informed the house that the remarks have just been made, and as the hon. member for Roberval is here, I would like to hear the hon. member on that point. The hon. member for Roberval.

(Translation):

Mr. Tremblay: Mr. Chairman, could you tell me exactly what you expect of me?

The Chairman: The hon. member has no doubt heard the hon. member for Dollard rise on a question of privilege to say that the member for Roberval had made personal remarks. I would ask the hon. member for Roberval to explain in that connection.

Mr. Tremblay: Mr. Chairman, I should really not want the people concerned to be deprived of the benefits they will derive from this excellent measure introduced by the Minister of Labour (Mr. Starr). Consequently, so as not to delay the proceedings of the house, I will just say that the hon. member who has risen on a question of privilege is most sensitive indeed and that he seems to be overimpressed by facts. However, if there was something offending for the hon. member during the verbal exchange which you did not hear, I am willing to withdraw what I said. Of course, that changes nothing in the situation.

Mr. Rouleau: Mr. Chairman, I ask the hon. member for Roberval to withdraw his words without reservation. I have been in the house for the last nine years, and never, until now, have I heard a member speak thus of one of his colleagues, on whatever side of the house he was on. I would ask you, sir, to invite the hon. member for Roberval to withdraw his words without reservation, because the statement he made about me is completely false.

The Chairman: If I rightly understood, the hon. member for Roberval stated that if his words were of an offensive nature, he was withdrawing them.

Mr. Rouleau: Mr. Chairman, the hon. member for Roberval said that this would in no way alter the situation, and I do not think that this is the right way to withdraw one's remarks.

[Mr. Pickersgill.]

Mr. Tremblay: Mr. Chairman, in order to close this discussion, I want to say that I make no reservation with regard to facts.

(Text):

Item agreed to.

Unemployment insurance commission—

669. To authorize the Minister of Finance, notwithstanding the Unemployment Insurance Act, to credit to the unemployment insurance fund in the fiscal year 1962-63 sums not exceeding in the aggregate $25,000,000 on such terms and conditions as the governor in council determines, $25,000,000.

The Chairman: Shall vote 669 carry?

Mr. Pickersgill: No, sir. Surely the minister is going to make a statement.

Mr. Starr: This item of $25,000,000 represents a loan to the unemployment insurance fund which will be taken up only in case of necessity between the end of May, when payments are at the accumulated peak, and the beginning of June when contributions once again begin to overtake payments. The officials of the unemployment insurance commission inform me that if economic conditions continue as they have for the past three months the fund will carry us over the critical period of the month of May.

However, this would not provide a safety margin in the event, for example, of heavy layoffs in some part of the country or, to take another example, the possibility of some regional unemployment arising from the effects of a labour dispute. Neither of these possibilities is envisaged at the present time. Nevertheless the officials feel it is wise to provide for such contingencies in order that no possibility may arise of a delay in payment of benefits for those who are entitled to have them.

At the end of January the balance in the fund was $135,877,305. The outgo from the fund for the payment of benefits is at the present time 17 per cent less than last year—another indication of the general economic improvement. The amount requested here in the form of a loan is, therefore, more in the nature of a safety measure to carry us over a critical period. If the money is not required, it will not be touched.

Mr. McMillan: I do not think the minister told us what is the actual condition of the fund at the present time. He said the outgo from the fund was 17 per cent less than last year but he did not say by how much it exceeded income.

For a considerable time the advisory committee of the unemployment insurance fund has been making reports to the government. Ever since 1959 the government could not help but be aware that this fund was being rapidly depleted and would soon become

bankrupt. We constantly drew this situation to the attention of the government at the time, and the government promised to do something about it in the speech from the throne of November 1960. But they ended by doing nothing at all, and now they have to call on the treasury to put money into the fund and help to carry on. Perhaps I should not have said that the government has done nothing, because last year I remember there was an announcement that 44 sleuths, or detectives, had been appointed to watch this fund, particularly in Toronto and Montreal. Also, I heard the Prime Minister say on television that anyone who cheated this fund would either be put into jail or fined. That is the only contribution the government has made in respect of this fund since we heard the speech from the throne in November 1960. I think the minister should tell us how many prosecutions have occurred under the act. He should tell us, also, how many people have been put into jail as was threatened by the Prime Minister. He should tell us how much money has been recovered and how much it has cost to hire these 44 detectives.

I have read various reports of the advisory committee to the unemployment insurance fund. The one I have here is dated July 6, 1961 and it shows that in the fiscal year 1960-1961 the fund again experienced substantial losses. In the preceding fiscal year a total of $181 million was paid out; in other words, benefits had exceeded income by $181 million. At that time, as of June 30, there was only $184.6 million in the fund. Payments out of the fund had been exceeded only in the year 1958-59. Now we have had five years of heavy unemployment, and in each of those years the level of unemployment exceeded that which existed before 1957. In each year there has been a constant drain on this fund.

One indication of the level of employment and economic activity is the percentage of labour out of work and looking for work. The percentages are given here in table 1 of the report of the advisory committee of July 6, 1961. In January 1956, the percentage of unemployed stood at 5.6 of the labour force. It is important to notice that in the same year, or in four months of that year, unemployment fell to 1.7 per cent of the labour force. When we come to January, and to March of 1961, we see that unemployment has risen from 10.8 per cent to 11.3 per cent of the labour force. During 1960 it never once fell below 5 per cent of the labour force, and in the summer months of 1961 unemployment was still high. I think it is significant to note, as reported in some of these reports from the advisory committee, that in the last five years the civilian labour force has increased by 15 per cent while the increase in employment has only been at the rate of 8 per cent. When we bring up the question of unemployment in the house, the minister talks about the increase in the number of people who have found work. I would point out that this meagre increase is not even enough to look after the new people coming into the labour force; it only looks after about half of them. It does not look after any of the people who are referred to as being the hard core of unemployment.

An hon. Member: What did you do about it?

Mr. McMillan: We did not have them.

Many of these people are now receiving welfare payments. Moreover, we are exporting some of our unemployment. We know that in the last year more people have left Canada than have come to Canada. Among those leaving Canada are some highly trained professional people. The present bankrupt condition of the unemployment insurance fund indicates two things, first, that the government has not come to grips to any extent with this problem of unemployment. The depletion of the fund was highest in 1959 when it was $244 million. In 1960 it was down to $133 million, and then it began to climb again. Last year, as I have said, it amounted to $181 million. The other point which is evident is that the losses taken through bad investments in Canadian government bonds and other Canadian securities exceed the amount of this loan of $25 million. If the government had not had these investment losses it would not be calling for this vote of $25 million.

The Minister of Finance announced in the house last year, I believe, that he was taking over these securities into the Department of Finance. It is up to the minister now to tell us whether these securities were taken over at par or at their face value. We have a right to know whether the losses will be taken by the unemployment insurance fund or by the treasury. From the report of the advisory committee we know there will be definite losses. These losses according to the report, will vary from 8 per cent to 9 per cent from their face value because of the depressed value of these securities.

If the Minister of Finance continues to hold these bonds he cannot get more than an average of 3½ per cent for them and the minister cannot borrow money that cheaply. There will be a loss even if he holds them.

Many people who have exhausted these benefits have gone on direct welfare payments. The municipalities and provinces have had to assume further burdens as their share of these welfare payments. Not long ago I saw a newspaper article which indicated that the number of people in Ontario who were on

welfare increased by between 14 and 19 per cent. I notice that the hon. member for Stormont is not here. He is always coming to the rescue of the Minister of Labour when we are talking about people being unemployed. It was indicated that in Cornwall the increase in the number of those on welfare was higher than in any other place in Ontario.

Mr. Pugh: Caused by the building of the seaway.

Mr. Chevrier: A lot you know about it.

Mr. McMillan: I do not know whether that is right but that appeared in the Toronto *Globe and Mail.*

Mr. Chevrier: That is completely false.

Mr. Pickersgill: At least the seaway was built, unlike the Columbia.

Mr. McMillan: That was reported in the *Globe and Mail* two weeks ago. I do not know whether it is correct.

Mr. Pallett: On a point of order, Mr. Chairman, the hon. member made reference to the fact that the hon. member for Stormont was not in the chamber. I appreciate that the hon. gentleman may not have seen the hon. member for Stormont sitting in his seat but perhaps he should correct that statement now.

Mr. Pickersgill: Surely the hon. member for Stormont is capable of speaking for himself. If he is not, it is the first time.

An hon. Member: He just came in.

Mr. Campbell (Stormont): On a point of order, Mr. Chairman, the hon. member for Stormont has been in his seat all the time. He has been conferring with a colleague. Open your eyes.

Mr. McMillan: What was that?

Mr. Pickersgill: The hon. member said he has been in the house all the time but you just did not notice him.

Mr. McMillan: I am sorry. The hon. member was not in his seat when I looked a few moments ago.

Mr. Campbell (Stormont): That is better.

Mr. McMillan: May I say I am sorry there are so many more people on welfare in Cornwall than in other parts of Ontario.

Mr. Campbell (Stormont): May I ask the hon. member a question? I think if he were to ask his colleague and my predecessor he could tell him the reason for the number of unemployed people in Cornwall. It is due to the fact that the locks have been removed from a canal which for 120 years flowed by our door. There is just a blank wall now.

[Mr. McMillan.]

Mr. Chevrier: Mr. Chairman, on the point my hon. friend has raised I feel I would be entitled to say that what the hon. member has stated is not only untrue but is inaccurate and wholly unfounded. As he well knows, or should know, the reason for the large unemployment figures is because this government has shown no interest in the unemployment problem—

Mr. Campbell (Stormont): What about the harbour?

The Chairman: Order. We are now getting into a matter of debate. The floor belongs to the hon. member for Welland. I would ask him to continue.

Mr. Campbell (Stormont): On a point of order—

Mr. Chevrier: Mr. Chairman, if the hon. member is allowed to make the statement he made by way of interrupting the hon. gentleman who was already speaking, surely I am entitled to give in reply the reason for the unemployment figures being so high in Cornwall—

The Chairman: Order. Here is the situation. The hon. member for Stormont asked leave to direct a question to the hon. member who has the floor. That hon. gentleman has not yet replied nor has the hon. member who has the floor continued in the course of his remarks. If the hon. member for Stormont or the hon. member for Laurier have remarks to make they may make them in due course but their remarks are in the nature of a debate and at the moment I cannot entertain them. I can listen only to the hon. member for Welland who has the floor.

Mr. Caron: On that point of order, Mr. Chairman, the hon. member for Stormont in putting his question to the hon. gentleman who has the floor spoke about the former member for Stormont, and the present member for Laurier is a former member for Stormont.

The Chairman: Order. I said and I repeat that in my judgment this is a matter for debate. Every hon. member who feels implicated by any remarks made, and provided they are pertinent to the debate, will have ample opportunity to make his position clear. The floor belongs to the hon. member for Welland.

Mr. Caron: These interruptions and remarks should be stopped by the Chair.

The Chairman: That is what I am trying to do.

Mr. Caron: But with success only on one side.

The Chairman: I am sure the hon. member for Hull would not wish to leave that remark on the record.

(Translation):

The Chairman: The hon. member for Hull (Mr. Caron) has just accused the chairman of being partial. I am sure he made that remark in the heat of the discussion. Therefore, I shall give him the opportunity of changing the words he used.

Mr. Caron: Mr. Chairman, we have noticed that you often look on this side and seldom on the other side when interruptions are made. That is why I made that remark.

The Chairman: I insist that the hon. member unconditionally withdraw the words he just used.

Mr. Caron: The chairman is more strict for the members on this side of the house than he was for the hon. member for Roberval (Mr. Tremblay).

The Chairman: I ask the hon. member for Hull to comply with the instruction that I am giving him with all due consideration. I am sure he agrees with me that no one should make such remarks to the chairman of this committee. I hope that he will take the opportunity I am offering him to withdraw unconditionally the remarks he has just made.

[*Editor's note: The hon. member for Hull having given no reply.*]

The Chairman: Do I understand that the hon. member refuses to withdraw his remarks?

Mr. Caron: Mr. Chairman, it is most difficult for me to withdraw remarks which are known to be true.

The Chairman: Then, I must report to the Speaker.

Mr. Caron: Some remarks have been made from the other side of the house which should also be withdrawn.

The Chairman: I expect hon. members will refrain from further remarks until the arrival of Mr. Speaker.

Mr. Flynn: Dirty fellow.

Mr. Caron: The minister has just made an ungracious remark about me and I would ask him to withdraw.

Mr. Rouleau: Mr. Chairman, I would ask you to have the hon. member for Quebec South (Mr. Flynn) withdraw the expression "dirty fellow" he just used concerning the member for Hull.

The Chairman: For the time being, this committee stands adjourned and it is not in order to continue this debate.

(Text):

Mr. Peters: He will not make the other side withdraw.

Mr. Speaker resumed the chair, and the chairman of the committee made the following report:

While the committee of supply was considering the estimates of the Department of Labour the hon. member for Hull accused the Chair of displaying partiality in his ruling. He was invited to withdraw these remarks but persisted in his refusal to do so. I am therefore making the present report to you, Mr. Speaker.

Mr. Speaker: Hon. members have heard the report of the chairman of the committee which involves the hon. member for Hull (Mr. Caron). In consequence of the report it is my duty to call upon the hon. member for Hull to make such explanations as he wishes to make to the house and then to withdraw so that the house can deal with the matter.

Mr. Caron: Mr. Speaker, I am willing to accept the consequences of my words, hoping that my action will ameliorate the situation in the committee of the house when we are sitting.

Mr. Speaker: I think perhaps the hon. member for Hull should withdraw while the house considers what action should be taken.

And Mr. Caron having withdrawn:

Mr. Churchill: Mr. Speaker, I should like to ask a question at this stage. Were the words of the hon. member for Hull fully reported in *Hansard*? Is the record clear so that we know exactly what was said?

Mr. Speaker: I can only consult with the chairman of the committee, or perhaps hon. members who sat in the committee would know. There was no interruption, I take it, in the reporting of the proceedings.

Mr. Pickersgill: I would have thought, sir, that it was not competent to the house to inquire what went on in the committee beyond the report that was made to the house by the chairman.

Mr. Churchill: That being the case, under the circumstances, Mr. Speaker, I have no other course than to move, seconded by the Minister of Mines and Technical Surveys (Mr. Flynn):

That the hon. member for Hull (Mr. Caron) be suspended from the house for the remainder of this day's sitting.

Mr. Chevrier: Mr. Speaker, I desire to say something on this motion, if I may.

Mr. Speaker: The motion is not debatable. I must inform the hon. member for Laurier

that this is not a debatable motion. Is it the pleasure of the house to adopt the motion?

Some hon. Members: Carried.

Some hon. Members: No.

Mr. Chevrier: No, no. We are against it.

An hon. Member: It is about time you woke up.

Mr. Speaker: Order. Then I shall put the motion.

Mr. Chevrier: This is a shame.

The house divided on the motion (Mr. Churchill) which was agreed to on the following division:

YEAS

Messrs:

Aiken
Allard
Balcer
Baldwin
Bell (Carleton)
Bell (Saint John-Albert)
Browne (St. John's West)
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Cardiff
Casselman, Mrs.
Chambers
Charlton
Chatterton
Churchill
Clancy
Coates
Creaghan
Crouse
Danforth
Dinsdale
English
Fairclough, Mrs.
Fane
Flemming (Royal)
Flynn
Forbes
Fulton
Grafftey
Gundlock
Hamilton (Notre Dame de Grace)
Hees
Henderson
Hicks
Kennedy
Kindt
Korchinski
Lambert
LaRue
Letourneau
Macdonald, Mrs.
MacEwan
MacLean (Queens)
MacRae
McBain
McCleave
McFarlane
McGrath
McPhillips
McQuillan
Mandziuk
Matthews
Milligan
Montgomery
More
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nugent
O'Leary
Ormiston
Pallett
Pascoe
Payne
Phillips
Rapp
Regnier
Simpson
Skoreyko
Slogan
Smallwood
Smith (Lincoln)
Smith (Winnipeg North)
Southam
Spencer
Starr
Stewart
Taylor
Thrasher
Tremblay
Walker
Woolliams—84.

NAYS

Messrs:

Badanai
Batten
Brassard (Lapointe)
Carter
Chevrier
Clermont
Denis
Dupuis
Eudes
Habel
Hellyer
Herridge
Leduc
McIlraith
McMillan
Martin (Timmins)
Peters
Pickersgill
Regier
Richard (Ottawa East)
Rouleau
Tardif
Tucker
Winch—24.

[Mr. Speaker.]

And the house having resumed in committee:

Mr. McMillan: I am sorry to have had my remarks interrupted in the way in which they were. I did not mean to refer to Cornwall more than any other place that had a lot of unemployment and welfare because of the policies of this government. I know the hon. member for Stormont is very industrious and I believe his work here in this house should be directed towards overcoming that condition in his constituency, as we have been trying to do all along because of what we think has been the futility of the government's policy in overcoming unemployment.

Today we are asked to vote $25 million, and we are asked to vote it for two basic reasons. One is that for a long time the government did not admit that unemployment was a problem at all and, when they did, they did little or nothing to come to grips with it. The second reason is because of investment losses in the unemployment insurance fund.

The fiscal policies of the government could not be much better devised to cause high interest rates, stagnation in our economy, and unemployment. They could not be much better devised also to cause losses on securities held in that fund. They certainly depressed the value of bonds and other securities in the portfolio of the fund. Now the government try to evade responsibility for unemployment and for the investment losses in that fund, but they must take responsibility for both.

The unemployment insurance fund was built up to $928 million under the former government but this government have depleted practically all of it. The mere presence of the fund and the fact that this government could fall back on it to cushion the effect of unemployment has caused the government to take a laissez faire attitude towards many problems. In fact the government have just coasted along, depending on that money. I hate to think what would have happened if this fund had not been in existence. Undoubtedly the public would have been very vocal and the government would have long since started to snap out of their present lethargy.

The government have not been frank with hon. members regarding the unemployment insurance fund and I do not think the minister was frank today. He did not give us many figures at all. The advisory committee of the fund brought in a special report on October 27, 1960. The government kept that report for

six weeks and then tabled it in the dying hours of the last day before we adjourned at Christmas time, in December, 1960.

The speech from the throne in November, 1960, indicated that the government would bring in some amendments to the Unemployment Insurance Act, and on various occasions in 1959, 1960 and 1961, we in the opposition warned the government about the serious situation in the unemployment insurance fund. We knew the losses they were taking because of bad investments and we also knew, and brought it to the attention of the government, that they were paying out much more than they were taking in. The government, however, did not have any ideas of their own to incorporate into amendments to restore the fund to a healthy state.

What have they done? They have appointed a royal commission to take the heat off, and they did just the same thing in connection with their fiscal and monetary policy when they appointed a royal commission. The composition of these two commissions, no matter how distinguished they may be, can only come up with one answer, one finding, and that is that you cannot spend more than you take in, unless you go broke. This is a basic truth which we have been bringing to the attention of the government ever since they came to power. Now they have two expensive royal commissions to tell them that truth.

The trouble with both royal commissions is that they are about three or four years too late. The funds have disappeared and they are called on to act as caretakers or advisers for bankrupt funds. The appointment of the royal commission in connection with this fund as well as other funds has just put off the day of reckoning, the day when the government have to account to the people for funds now bankrupt that were formerly healthy.

The Liberal government set up the unemployment insurance fund and saw it grow to a total of $928 million. To do that they did not have to appoint a royal commission, but this government want a royal commission to help them get back on the right track. However the government must look deeper than this fund. They must put people back to work and keep them at work.

There has been gross mismanagement of the fund. I know working people who have been paying into the fund ever since it came into existence nearly 20 years ago. They helped to build up the fund. Now they have to help replenish it through their taxes, and later they will have to pay higher contributions to put the fund in a healthy state again and make it solvent. I say the working people of Canada have been taken for a ride and I hope this $25 million will not be used in the coming election to help buy the electorate.

I know that before the last federal election it was much easier to qualify for benefits under the Unemployment Insurance Act than it was afterwards, and I brought that up in the house. I also said in this chamber that I have heard of some people who were notified by one unemployment insurance office to go and get their cheques after they had been on a pension for some time. I take exception to this mismanagement of the fund. I do not think there should be any relaxation of the rules before an election. But, certainly it was much easier before the last election. Many people do say that it was much easier to qualify before the last election on March 28, 1958, than it was afterwards.

Mr. Campbell (Stormont): Would the hon. member permit a question? Does he not know that the unemployment in Cornwall has been caused by difficulties in the textile industry, and that the efforts of this government to relieve that industry have been frustrated by the Liberal Senate? Does he not know that the other cause of unemployment is the fact that the seaway locks were constructed on the United States side of the river?

Mr. Pickersgill: Who has been in office for the last five years?

An hon. Member: No one.

Mr. Pickersgill: No one, as my hon. friend from Trinity says.

Mr. McMillan: I have heard of some of the actions taken by this government to help unemployment but I do not think they will help Cornwall or any other place in Canada. I do not know what has caused the present conditions in Cornwall, but the hon. member seems very active and I think he should get up in the house once in a while to try and influence his government in connection with unemployment. I have not heard him do that yet.

Mr. Campbell (Stormont): Does the hon. member not approve of the spending of more than $500,000 on a harbour in Cornwall to provide jobs, in replacement of those lost to the Americans? Does he not approve of the spending of more than $1.5 million on technical schools in Cornwall? Does he not regard that as desirable?

Mr. McMillan: I do not want to get into a debate with the hon. member from Stormont. I do not know how much has been spent on the harbour in Cornwall. But if you spend money on harbours you must also get the plants to locate there. I do not know

whether they expect any new plants there or not. I do not know whether just building a harbour is the answer. They may never secure a new plant as far as I know.

Mr. Winch: If my memory is correct, it is only a few years ago that there was something in the neighbourhood of $900 million in the unemployment insurance fund. Now this fund has reached such a low ebb that the government finds it necessary to ask the House of Commons to authorize a loan of $25 million to be available should a contingency arise, such as an increase of unemployment in the next few months because of industrial disputes or because of heavy layoffs in certain areas.

This situation must lead one, of necessity, to one of two conclusions, or perhaps to both: first, that no solution has been found to the problem of unemployment; second, that changes are necessary in the Unemployment Insurance Act so as to place it on a more stable foundation. The necessity for this supplementary estimate which is before the committee at the present time demonstrates that the problem of unemployment has not been resolved, though this is also evident from a study of the monthly returns issued by the dominion bureau of statistics. I am not particularly interested in statistics. I cannot become excited by them because, to me, whether there are one million people unemployed or 100,000 unemployed there is still a serious problem to be tackled.

But the fact we must all try to remember is this: in the event of unemployment the only protection an unemployed person has, is either a reliance on unemployment insurance or reliance on welfare. It must also be recognized that reliance on either of these means of assistance does not produce much in the way of security; it means a bare subsistence. However, it is necessary that these two means of help be available so as to provide some protection for those who, unfortunately, become unemployed.

There is one phase of this question which interests me. If a person is not eligible for unemployment insurance and has to rely on welfare, he receives assistance which is financed jointly by the federal government and the provincial government. That help is paid out as required, and no loans are made to the welfare fund. The money is paid out because of the necessity that exists. When the farmers are in trouble because of crop failure or a drought we have such a situation as was witnessed this session when the house was asked to approve the spending of $43 million for the assistance of these farmers because of their economic situation. Everybody voted for it. That was not a loan to the farmers. That was an outright gift to them because of the difficulties in which they found themselves. I fail to understand the reason for the difference in policy in the two cases. A farmer who was in difficulties on account of drought last year cannot recoup his losses; his crops have been lost. An unemployed man cannot do so either; his employment has been lost. I cannot understand why there should be an outright gift in one case and a loan in the other.

There is no question that we have to build up the fund so that in the case of need the money is there to take care of the unemployed in accordance with the regulations of the act. However, I wish this was an outright grant to the fund, and therefore a grant to those who are unemployed, in the same way as we make grants to assist agricultural producers, not merely to the extent of $42 million, as we recently did, but to the extent of hundreds of millions. They are both workers in different phases of our economy.

First of all, of course, we must get down to tackling the problem of unemployment in all its aspects. But there is another matter which arises in this connection. After all the years during which we have been told that something was to be done to overhaul the Unemployment Insurance Act, surely the fact that this particular supplementary estimate is before us today demonstrates that the time has long passed when a complete study of the act should be undertaken with a view to a thorough overhaul of its provisions so as to place it on a sure and firm foundation.

Mr. Pickersgill: Mr. Chairman, the reason we have to lend $25 million out of the treasury to the unemployment insurance fund is the fact, as the minister himself has indicated, that the fund must have enough money in it to meet its obligations until that season of the year arrives when the minister hopes and we all hope the intake into the fund will exceed the outgo, some time in the spring. It seems to me, as the hon. member for Welland said so well earlier this afternoon, that this is an evidence of the irresponsible and ostrichlike approach of this government to the whole problem of unemployment, it seems that we are faced with a confession by the government on March 16, 1962, when according to rumours the government is contemplating an appeal to the country, that they have let the fund get into this appalling mess and did not do anything about it.

It has been perfectly apparent to everyone in this country except the government that this situation was developing. As early as three years ago the government themselves mentioned in the speech from the throne—indeed they promised it before the election

of 1958—that they would amend the Unemployment Insurance Act. The only amendment they made was to increase the contribution in a desperate effort to overcome the bleeding of the fund.

This government has pretended ever since they got into office that the amount of unemployment has been grossly exaggerated by other people, notably by the opposition, and that it was not really serious. Indeed they pretended that it was not any more serious than it was when the previous government was in office. But the best evidence of the blindness of the government and their utter refusal to face facts or reality is the fund itself, this fund which from 1942 to 1957 built up to the point where it contained at its peak, as my friend the hon. member for Welland pointed out, nearly $1 billion; I think $928 million was the figure to the nearest million.

All that except $100 million has been dissipated, and indeed the government is afraid it will all be dissipated and that the fund may require a loan. Therefore it is asking parliament to authorize this loan.

Now, at the very time this is happening in the house, what kind of picture is given to the country by the leader of the government? Surely one would have expected the Prime Minister speaking on "The Nation's Business" to face up to the problem and to put the facts before the people, to put the grimness and seriousness of the situation with respect to the fund before the population. But not a word was said of that nature in the broadcast the Prime Minister gave on Wednesday night at the very time this matter was before the house, when the minister's estimates were brought before us.

Listen to what the Prime Minister had to say about unemployment. He said:

> And I come to the employment situation. It's been better every month during the last six or seven months—

Not a suggestion that the period before the past six or seven months were the worst months since the thirties. Not a hint of that. Just:

> —It's been better every month during the last six or seven months.

As a matter of fact one cannot help but suspect that the Prime Minister had the assistance of the incomparable Minister of Public Works in the preparation of this extraordinary document.

An hon. Member: It is true.

Mr. Pickersgill: No doubt it is true. I would suggest that they are eminently suited to one another.

Mr. Walker: I thank the hon. member.

Mr. Pickersgill: And it serves them both right. The Prime Minister said, and I repeat:

> It's been better every month during the last six or seven months compared with the corresponding month in the previous year.

Mr. Walker: Is that not correct?

Mr. Pickersgill: I say, sir, that was the worst period since the thirties.

Mr. Cardiff: Doom and gloom.

Mr. Pickersgill: What more doom and gloom could you have than the minister's statement that he had exhausted $928 million and was having to ask the treasury to lend money to this fund after only four years of administration by this government. The real gloom and doom came with this government and it will not go as long as we have this government.

Mr. Walker: Turn off that record.

Mr. Pickersgill: No one can manage the affairs of the country when we have not a government; and we have had no government and no administration in Canada—just a collection of buck passers—ever since June 21, 1957. They have never faced a single problem.

Mr. Cardiff: Find a new approach. You have worn that one out.

Mr. Pickersgill: The people of Canada are going to have a new government just as soon as they are given a chance and the hon. gentleman who interrupts will be home in Huron county after that.

Mr. Cardiff: How much do you bet? How much money have you got?

Mr. Pickersgill: I should think after the earlier experience this afternoon hon. gentlemen would allow me to deal with the subject that is before us—

Mr. Walker: The seventy fifth playing of the same record.

Mr. Pickersgill: —without any assistance from that distinguished privy councillor the Minister of Public Works—

Mr. Walker: Hear, hear.

Mr. Pickersgill: —who has done so much to elevate the tone of public life in this country—

Mr. Walker: Thank you.

Mr. Pickersgill: —since he was elected to this parliament and who has the modesty to applaud himself.

Mr. Brassard (Lapointe): He does not recognize sarcasm.

Mr. Pickersgill: I wish to repeat these words:

It's been better every month during the last six or seven months compared with the corresponding month in the previous year.

Then the Prime Minister goes on:

Unemployment has been a serious problem not only in Canada but the United States.

The occupants of treasury benches did not say those things in the winter of 1955 when they were preaching calamity about unemployment.

Mr. Walker: Oh, stop it.

Mr. Pickersgill: Oh, I recall those words of the Prime Minister and the Minister of Finance. Hon. members will recall the day I read the speech made by the present Minister of Finance in 1954 about unemployment and he got up and asked why I did not tell the truth. He did not know I was merely reading his own words about a situation that was not very serious and applying it to a situation which it really did fit. I suggest that hon. gentlemen spend less time looking in the mirror and admiring themselves and a little more time looking about the country and seeing what the facts are in Canada.

Mr. Walker: You would not dare look in the mirror.

Mr. Pickersgill: Well, I do not waste my time looking in the mirror. I really try to pay some attention to the task I was elected to do and do not devote myself exclusively to self-congratulation—

Mr. Walker: You are on the verge of a breakdown.

Mr. Pickersgill: —which is the principal activity both of the Prime Minister and the Minister of Public Works. The Minister of Public Works says the Prime Minister is the greatest parliamentarian we ever had here—

Mr. Walker: Hear, hear.

Mr. Pickersgill: —and no doubt he believes it. But in his famous words about the statistics from the dominion bureau of statistics that Mr. Barkway produced the other evening; he may believe it but nobody else would.

I return to this document. The Prime Minister went on:

And Canada has always faced unemployment in the wintertime because of our stern conditions.

That, sir, is not in fact true. Canada has not always faced severe unemployment in the wintertime although there is a tendency for a certain amount of unemployment to develop in that season. Here is the Prime Minister giving a clear, honest and straightforward picture as he always does:

Unemployment rose to high levels on more than one occasion in the early 1950's.

That is typical. First he blames the Americans and then he tries to create the impression that the situation was bad in the days of the previous government.

Mr. Cardiff: Well, wasn't it?

Mr. Pickersgill: There was only one month, sir, in the whole post-war period until 1957—only one month—when the unemployment was as bad as it has been on the average since this government came into office at all seasons of the year, and yet this is the kind of picture the Prime Minister seeks to give the Canadian people, the kind of picture he presents of the nation's business, as it is now. I continue:

But the tremendous upsurge of the economy is providing more and more jobs.

I am sorry that we still have not the D.B.S. report in order to see how many more there were in February than there were in January. However, from the last figures we had one thing we know is this. The labour force of this country grew by only 13,000 in the year 1961, which means that more people left Canada to live elsewhere than came to Canada to live in that year and our own young people could not find jobs. That is what that terrible statistic means. It means that the country has ceased growing altogether. Those are the D.B.S. figures. I suppose everybody in the country except the Minister of Public Works would accept them. However, as I say, we get this kind of statement from the Prime Minister:

We've mitigated the effects of unemployment in a vast public works program.

May I say this. If they have mitigated the effect of unemployment, it is just appalling to think what it would have been if it had not been for the vast public works program as, notwithstanding this alleged mitigation, it has been at an intolerably high level during the whole period during which this government has been in office.

Then the Prime Minister continues—but really it is fruitless to read any more. It is of the same ilk, pretending that the facts are not there, refusing to face reality. However, he sends the Minister of Labour in here to face the reality; and the reality is that the minister has exhausted this fund, this $928 million which was accumulated. Why was it accumulated? It was accumulated because during the whole period from 1942 to 1957 there was virtually full employment. That is why the money was there. How did the

money get there? It got there because the people who were employed paid their unemployment insurance premiums as did their employers. That is how the money got into the fund. Why is it gone? It is gone because people have been unemployed. Oh, maybe the minister lost a bit, or at least maybe others lost a bit for the minister—the Minister of Finance, mainly—by bad management of the fund. I will leave that question to the hon. member for Welland who understands these things better than I do. However, most of it is gone because people have been unemployed and it has been paid out to the unemployed. That is why this money is all gone—unless the minister or rather the commission has been paying out millions to people who were not unemployed; and I do not believe that for a moment.

Mr. Cardiff: We did not have two wars to boost our economy when we were in power.

Mr. Pickersgill: May I say this; if the hon. gentleman wishes to start a war in order to boost the economy, he will not find many other Canadians who are with him.

Mr. Cardiff: That is what boosted the economy.

Mr. Pickersgill: It is extraordinary, is it not, Mr. Chairman, how the Tories always have an excuse for their failures while the Liberals are not obliged to make excuses because, when there is a Liberal government, there are not the failures. That seems to be the difference, as the hon. gentleman has aptly illustrated through his helpful intervention. I hope he will make some more interventions as he is extremely helpful in them.

Mr. Walker: We are straightening out your mess.

Mr. Pickersgill: Oh, yes; that is another favourite theme of the Minister of Public Works.

Mr. Walker: That is right.

Mr. Pickersgill: I will tell the hon. gentleman about the mess.

Mr. Walker: All right.

Mr. Pickersgill: There was $928 million in the unemployment insurance fund and—

Mr. Walker: Louder.

Mr. Pickersgill: —there was about 140,000 unemployed when this government took office. The figure has never got down to that level since these gentlemen took their seats on the treasury benches. There was a surplus in the treasury. That was the mess.

Let us look at the situation now, Mr. Chairman. The situation that we find is this. One billion dollars have been dissipated from the unemployment insurance fund. Two billion dollars have been added to the national debt. We have the worst unemployment situation since the 30's. After five years in office the ministers are talking as though they could not do anything, as though they were helpless, as though they had no influence on events and as though, after five years in office, Mr. Howe, Mr. Harris and Mr. St. Laurent are still to blame for the fact that when these gentlemen took office the budget was balanced, the national debt was being paid off and there was virtually no unemployment and the fund was overflowing. That was the mess. If the Minister of Public Works has such a distorted vision—and I use the term advisedly—that this is what he regards as a mess, I would suggest that a great many of the people of Canada would be extremely glad to have that mess again compared with what we have now. However, that is not all.

Mr. Walker: Tell us about the hidden report.

Mr. Pickersgill: Oh, I will tell you about the hidden report. I suggest to the minister that he read the Winnipeg *Free Press* for this week with regard to the hidden report and he will not want ever to hear it mentioned again. I suggest to the hon. gentleman that he just walk out of the chamber, go to the library and read it right now.

Mr. Walker: I wish to hear the hon. member.

Mr. Pickersgill: The hon. gentleman will hear me in good time. However, I am speaking about the unemployment insurance fund at the moment and I intend to continue doing so regardless of the assistance I get from the Minister of Public Works.

It would be bad enough, Mr. Chairman, if they had just bankrupted the fund. However, what do this incredible government do? They published a little booklet called, "Still More Action for Canada and Canadians". This is the latest edition of Tory propaganda. I just hope the people of Canada all read it and understand what it is really saying. I am going to read just one paragraph and here it is:

> The infamous Liberal "threshold clause" was removed from existing unemployment assistance legislation thereby extending benefits to all Canadians instead of those from only six provinces, as under the Liberals.

Whatever that incomprehensible sentence means I should not like to say, as I do not think anybody could make any sense out of it. Evidently some words were left out. However, the really important part is what follows:

> Federal contributions have been increased by more than 847.7 per cent—from $7.9 million in the last year under the Liberals to $75 million in 1961-62.

They are asking for $88 million this coming year. Then they are boasting about increasing this unemployment relief. Did you ever in your life hear of any government in any country in the world boast about increasing unemployment relief by 800 per cent?

Mr. Baldwin: It is my recollection of the rules that when a member reads from what appears to be a valuable public document, he should put the whole document on file.

Mr. Pickersgill: This subject has been discussed a good many times here, and Your Honour knows very well that no one is permitted to table documents in the house except members of the government. I hope the hon. member, who is a very courteous member of the house, will not seek to join some of the less courteous ones in attempting to interfere with the continuity of what I have to say. What I am saying is that, not content with bankrupting the unemployment insurance fund and coming here and asking for a loan, which perhaps is not big enough, incidentally—and I wish to ask the minister a question about that matter at the conclusion of my remarks —they boast that they have increased relief or welfare by 800 per cent. I have heard governments make some queer boasts, but the queerest boast of all is to have increased relief by 800 per cent. It seems to me that one paragraph alone in this document is enough to destroy this government in every part of this country. Here is their list of achievements: increasing unemployment relief by 800 per cent. We on this side of the house regard unemployment relief as a necessary evil, something that should be as little necessary as possible, not something to boast about and say how big you are getting it, or how much you are spending on relief. That gives you, as I say, Mr. Chairman, an idea of this "Through the Looking Glass" attitude of this extraordinary government of mirror vision. That is the only expression one can apply. The Prime Minister looks at himself in the mirror, perhaps not as often as the Minister of Public Works does, and they admire themselves and see there what they want to see.

The Chairman: Order. I am sure the hon. member will agree that these remarks are not pertinent to this item.

Mr. Chevrier: There is nothing the matter with them at all. I rise on a point of order. There was absolutely nothing the matter and nothing contrary to the rules of the house in what the hon. member had to say concerning the Minister of Public Works, certainly nothing to compare with what the Minister of Public Works has been saying repeatedly about those of us who sit on this side of the house. I say to you with deference that the hon. member has a perfect right to say what he has said. Surely the time has come in this house, Mr. Chairman, when we on this side ought to be able to say some things. After all, this afternoon we were given an example of nothing but complete obstruction on the part of hon. members on the other side of the house. All one has to do is to look at *Hansard* to see what happened last night. Those who sit on the other side of the house have continually interrupted every speech made from this side, the speech of the hon. member for Levis, and now the hon. member who has the floor is being interrupted because he makes passing reference to the Minister of Public Works, which I submit to you with deference is not contrary to the rules of the house.

Mr. Walker: What about the mirror?

The Chairman: Naturally the Chair deplores as much as anyone the interruptions that take place and I hope that there will be no more. There have been many interjections back and forth and I do not think it helps an intelligent study of this item. I think the hon. member for Bonavista-Twillingate will want to restrict his remarks to this item as he is trying to do.

Mr. Pickersgill: My reference, sir, was primarily to the head of the government. I am one of those old fashioned people who believe that the head of a government is responsible for everything that government does. That is what we understand to be the situation under our British system. He has to take the responsibility for everything that is done by his colleagues whom he keeps in his cabinet, and I do not envy him, sir, particularly in some cases.

One of his colleagues is the Minister of Labour who has the misfortune to be saddled with the responsibility for this bankrupt fund. It seems to me that when I suggest that the Prime Minister is gazing in a mirror, and not facing facts, that is perfectly normal, valid criticism, and I may say that I did not think even this thin-skinned government was quite that thin-skinned. What I am saying, sir, is that the government refused to face the problem. That made it necessary for the government to ask for this loan for the unemployment insurance fund, and they certainly are not doing the things they said they would do about this problem. The only reason this vote is before us, the only reason this loan is being sought is unemployment, persistent unemployment at an intolerable level, a level so high that, notwithstanding the very marked improvement in business activity, the Minister of Labour cannot derive very much satisfaction from reading the leading editorial in the *Financial Post* this

week, which is a very accurate and sober appraisal of the situation. Nor can it give the minister much satisfaction to hear what Mr. Macaulay, the minister of trade and industry or whatever it is—they change names in Toronto so often that it is hard to keep up with them—said the other day. He said that we have to have a million more jobs in this country in the next few years, and that is true because our population continues to grow, and employment is not growing with it. That is the problem.

Mr. Pallett: What was wrong with that statement?

Mr. Pickersgill: It is a difficult problem. It is a problem that we on this side of the house are very anxious to co-operate in solving, if any solutions are offered; but this government refuses to offer solutions. It pretends that the problem does not exist. It is very difficult to co-operate with people who have to take the initiative but have no initiative to take, and do not know how to take an initiative. This is also, of course, completely out of accord with the pretensions of the government when it came into office with respect to this matter.

I want to say a word or two about those pretensions because they are very relevant. If the government had really done the things they promised we would not be asked to pass this vote now. Therefore what I am about to say is strictly relevant. We know that unemployment and, indeed, even employment were hardly mentioned at all by hon. gentlemen opposite five years ago when they were out of power and seeking office. They now pretend that unemployment then was a terrible problem and a terrible mess, but they were not bright enough to see it then. I have gone over the Prime Minister's utterances fairly frequently and I cannot find a reference to unemployment in any of them.

Mr. Walker: He did not have the hidden report.

Mr. Pickersgill: Before June 10, 1957 it is true that on one occasion, April 25, 1957, he did say in Toronto that full employment with the highest possible standard of living would be one of the primary objectives of his government. Sir, if that has continued to be one of their primary objectives, no government has ever fallen farther from the achievement of an objective than this government has because, as I say, employment-wise they have taken the country back to the days when we last had a Tory government in the 30's. Then; the Prime Minister told the premiers in November, 1957, that there was just a brief pause and not to worry about unemployment. He had then been in office for five months and that was his considered judgment given to the premiers at the federal-provincial conference. He told them it was just a pause, nothing serious. On December 10, 1957, the Minister of Labour went to Montreal and made a speech in which he said that all economists agreed that unemployment was not a bit serious and was going to go away in no time.

In 1958, when they finally had to face the facts during the election campaign, what did they tell the people? What kind of hopes did they hold out? Did they tell the people they were going to increase relief 800 per cent? Is that what the people were told? No; what they told them was that "no one will suffer from unemployment". There are many variations of this theme, sir, and since there has been a lot of dispute about it perhaps it would be as well if the record were set straight. In a telecast from Montreal on February 18, 1958, the Prime Minister said:

> As long as I am Prime Minister ... everything that can be done—everything without regard to limit—will be done to the end that no one will suffer.

"Everything without regard to limit". At Coxheath, Nova Scotia, on February 28 he said—

Mr. Pallett: What comes after the word "suffer" in that first quotation? You surely have not got the end of a sentence there.

Mr. Pickersgill: I have given the complete quotation and the hon. gentleman can look it up for himself. If he thinks there is anything wrong with it he can refute it. The Prime Minister was reported in the Montreal *Star* to have said in Coxheath, Nova Scotia, on February 28, 1958:

> No Canadian without work would suffer as long as I am Prime Minister regardless of whether we have deficit financing or not.

That was the second promise about "no one will suffer". Then, in a telecast from Toronto on March 4, 1958, he said:

> As long as I am Prime Minister this government will not rest while one Canadian remains out of work. No one will be allowed to suffer.

Then we all know the Prime Minister's favorite quotation. It is one that has reference to public works. He did make a reference once or twice to public works in connection with this matter, but only once or twice. Most of the time he made other statements that he does not seem to like to remember so well. In one reported speech at Prince Albert on February 14, 1958, he was quoted as adding after "no one will suffer" the words "so far as public works can meet the situation". If anyone dares to suggest that promise has been kept, "so far as public works can meet the situation"—

Mr. Walker: May I ask the hon. gentleman a question?

Mr. Pickersgill: Yes.

Mr. Walker: Does my hon. friend not agree that the average expenditure under Liberal administrations from 1945 to 1957 was less than $90 million a year and our average has been $210 million a year? Does that not answer the question? In addition, 660,000 houses have been built.

Mr. Pickersgill: The hon. gentleman has asked his question but perhaps he might save his speech until I have finished. The hon. gentleman is boasting that this government has spent more than the Liberal government. I will not argue with him. They have spent more on everything. They have put the country hopelessly into debt, but they have not corrected unemployment with public works and that is what was promised. That promise has not been kept. Neither has the promise been kept that everything, without regard to limit, would be done. Neither has the promise been kept that there would be no suffering regardless of deficit financing.

But there was an even more far reaching promise than that, sir, and it is very directly related to this vote. At Brantford on February 17, 1958, the Prime Minister said:

> The people who are unemployed will not be put in the false position of being put on relief.

Let me repeat that:

> The people who are unemployed will not be put in the false position of being put on relief.

The Chairman: I hesitate to interrupt the hon. member, but his time has expired.

Mr. Chevrier: May I bring to Your Honour's attention the fact that the speech of the hon. gentleman was interrupted by points of order and in that case I submit to you, sir, he has the right to go on for another 30 minutes.

The Chairman: As I understand it, the hon. member only yielded the floor for points of order which do not constitute a ground for extending the time of the hon. member.

Mr. Chevrier: He yielded the floor to the Minister of Public Works.

The Chairman: That is so, he yielded the floor, but it was on his own time that the question was answered.

Mr. Pickersgill: I have really reached the termination of my remarks, anyway. I just wanted to point out that, the Prime Minister having promised that no one would go on relief, the government now boasts about increasing relief by 800 per cent.

(Translation):

Mr. Brassard (Lapointe): Mr. Chairman, I should like to add a few words to those of my colleagues concerning the $25 million which the government is about to grant to the unemployment insurance commission.

When, in 1958-59, we asked the government to admit that there was in fact an unemployment problem, we were accused then, as we have been again this afternoon, of being prophets of doom and gloom. Now, if we refer to the 1946-1957 period and determine the yearly average of the percentage of the labour force who were unemployed, we find that it did not exceed 3 per cent. I am speaking of the average per year. In June 1957, when we handed over the administration of this country to the present government, there were approximately 160,000 men and women without work. By early autumn, in that same year, there were already 225,000.

I do not wish to dwell on that question, but I would like to offer the Minister of Labour (Mr. Starr) a suggestion. Two years ago, while discussing the estimates of his department, I spoke about industrial mechanization. Our production methods are improving all the time. Some people say that automation only cuts down the number of jobs while others, on the contrary, claim that besides improving production methods, automation makes for new jobs which in many cases, are better paid.

It seems to me that efficiency in industry is today one of the main economic challenges of our time. Production is not everything. You must also dispose of your production. Since our domestic market, in many sectors, cannot consume all our national output, we must look for foreign outlets. We must then take into account the fact that we have to compete with other nations.

In their report number 8 on the advent of automation, the research services of the Department of Labour said that the impact of the technological advance on employment varies from one area to the other. Reference is made, for instance, to other jobs and to the ability of some peope to adapt themselves to other kinds of work. Reference is also made to collective bargaining and other factors.

Some people would resist automation. In my opinion, it is imperative that we adapt ourselves to the times in which we are living, and that we take the necessary steps to be able to do so. Even the most vocal advocates of industrial automation are showing some concern about the future of mankind, on account of that technological revolution now bursting upon the world, and in this country particularly.

I think we must be prepared to face a profound transitional period as well as a sort of industrial upheaval.

The deputy minister of public health in Ontario, Mr. James S. Band, said, not more than a year and a half ago, that within ten years four workers out of five would lose their jobs on account of industrial automation.

I think that from a human and social stand point, this is an almost tragic consequence.

The Canadian Labour Congress bulletin quoted also, in its February 1961 issue, the result of a study made by Mr. W. R. Dymond, director of economics and research, Department of Labour, and submitted to the Senate manpower committee.

It is a very short paragraph, but I should like to read it for the hon. members:

(Text):

In the ten years since 1949, production in the Canadian motor vehicle industry rose 49.8 per cent, while employment rose only 11 per cent. In the motor vehicle parts industry, production rose 19.7 per cent, and employment 6.8 per cent; in electrical apparatus and supplies, production rose 81.6 per cent and employment 40.6 per cent; in the machinery industry, production rose 33.7 per cent and employment 16.8 per cent; in household appliances, production rose 53.7 per cent and employment 19.3 per cent.

(Translation):

Even though the Minister of Labour created, within his department, a research division which studied and is still studying the impact of industrial automation, I would ask him to extend further this survey on automation.

He could ask for the opinions of representatives of management and labour, of universities, of provincial and municipal governments and agriculture, and set up a commission, even at this late date. That should have been done long ago.

I think that the committee which is now studying the question, with the best intentions in the world and the most qualified people, does not go far enough in its inquiry, apart from the fact that its staff is not large enough to do the job entrusted to it.

Social implications and effects of technological progress must be considered with the thought of what is to be man's part in that progress, and above all of what the impact of automation is likely to be on our social structure.

I know that the Minister of Labour is concerned with these questions but he seems to be the only one among his cabinet colleagues to consider this problem. He should ask people from industry to help him.

Since 1957, the government has often urged an improvement in relationships between employers and employees. This is a good opportunity to get together representatives from those two groups because both employers and employees are interested in that question. Canadians as a whole are particularly interested in that question.

A commission should be appointed to study the full impact of automation throughout the country, and I am sure that solutions will be submitted to it which—even if some are long term solutions—will contribute to eradicate or at least decrease to a great extent that social plague of unemployment which is a sore on our present system.

I already said on many occasions that I believe in free enterprise, but I also believe in the intervention of higher authorities whenever and wherever free enterprise cannot or does not wish to fulfil its duties.

Some companies may attach a little more importance to their profits than to their social role in the development of a country or its economy.

I urge the minister to consider those suggestions and I am looking forward to the day when, at last, concrete solutions will be found to unemployment.

(Text):

Mr. Chevrier: I wonder if I could have the attention of the house to make a suggestion to the house leader, which I hope will be of a constructive nature. It is not my intention in anything I intend to say now to be critical, but I am mindful of the fact that there is some urgency about getting these supplementary estimates through the house. Again I repeat I do not want to be critical of those who have taken up the time of the house, because they have been from the other side of the house as well as from this side.

What I want to say is that we are not prepared to give up our right to criticize these very large supplementary estimates, particularly when we have no assurance that we shall have a chance to debate the main estimates for next year. However we are not anxious to contribute to hardship which might result if bills were not paid, and particularly if salaries and wages were not paid. Therefore, if the Minister of Finance will give us detailed particulars of the votes where real hardship might result we shall immediately consider them first, for our part, and deal with them quickly, and if the minister wants to go a step further and wishes to incorporate the urgent items in a special appropriation bill we shall facilitate that procedure; but we do not intend to submit to indirect pressure to restrict debate on expenditures in this free parliament.

I thought, Mr. Chairman, that it might be helpful if I rose a few minutes before

five o'clock and made this suggestion. I understand it is not possible, in the two or three minutes that are left, to obtain a reply or an assurance from the minister, but from now until six o'clock I suppose there might well be that opportunity and I trust that the house leader will consider this suggestion in the light in which it has been made.

Mr. Churchill: Actions speak louder than words. If the present item we are on had been passed, then these remarks of the hon. member for Laurier might have been more appropriate under those circumstances. His so-called constructive suggestion will have to be examined. Hon. members on the opposite side of the house had an extensive experience on the treasury benches and they fully appreciate, without any spelling out or any further detailed information, what is meant when supplementary estimates are not passed expeditiously through the house.

Were they inexperienced, why then we might give some consideration to the suggestion that was put forward; but we are not dealing here with inexperienced people, and parliament has been in existence for so many years. If the hon. member will examine the record he will find that in the past it was customary to get supplementary estimates through the house in one, two, or at the outside three days, not spending as we have done already this session one third of the session on supplementary estimates.

Mr. Chevrier: If I may be allowed, there is a great deal in what the house leader has said in connection with the procedure that has been followed in the past concerning supplementary estimates, but the circumstances in the past and the circumstances in which we find ourselves in this parliament are entirely different and, as I said earlier, I did not want to introduce a contentious note in the debate. I wanted to offer what I thought was a constructive suggestion because I am firmly convinced that the circumstances as we find them now, and the hon. house leader knows what I am referring to, are entirely different from the ordinary and normal circumstances concerning the passage of supplementary estimates through the house. Therefore I can only reiterate the suggestion I have made.

Mr. Churchill: I can only add that 1957 was an election year and in the spring of that year we passed two groups of supplementary estimates in three days.

Mr. Pickersgill: And hon. gentlemen on the opposite side of the house in 1957 were informed precisely what the intentions of the government were. There was no question of playing games with the public business in that year.

[Mr. Chevrier.]

Mr. Pallett: Perhaps we might carry this item now.

Mr. Pickersgill: Certainly not.

The Chairman: It being five o'clock, so that the house may proceed to consideration of private members' business, pursuant to section 3 of standing order 15, it is my duty to rise and report a certain resolution and ask leave to sit later this day or next sitting day as the case may be.

Item stands.

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

Mr. Speaker: It being five o'clock the house will now proceed to consideration of private members' business as listed on today's order paper, namely, public bills and private bills.

Mr. Churchill: I am prepared to stand numbers 1 to 9 if it is agreeable to the house.

Some hon. Members: Agreed.

Mr. Churchill: I believe the hon. member for Kootenay West (Mr. Herridge) is prepared to go ahead with No. 10. Is that correct?

Mr. Herridge: Yes.

BROADCASTING ACT

ISSUE OF LICENCES SUBJECT TO COMPLIANCE WITH BILL OF RIGHTS

Mr. H. W. Herridge (Kootenay West) moved the second reading of Bill C-32, to amend the Broadcasting Act (human rights abuses remedied).

He said: Mr. Speaker, I must first of all express my appreciation of the nine hon. members with private bills preceding mine on the order paper who had them stood today and in so doing enabled me to proceed with a matter of very great importance to my constituents and which is important, so far as the principle is concerned, to all Canadians. I intend, Mr. Speaker, as is usual among members of this group, to strike a blow for freedom this evening, because it is obvious that legitimate free enterprise requires the benevolent surveillance of certain social democrats who have a sense of social responsibility.

I must outline the historical sequence of events which have caused me to introduce this bill. First of all, I was visited by the editor of the Kootenay *Graphic News* in November, I think, of 1960. He informed me that he had been in the habit of advertising the date of publication of his newspaper on radio station CKLN, Nelson, drawing attention to the date on which it was being placed on the news stands, but he had received a letter from Mr. A. R. Ramsden, the manager

of that radio station, informing him he would no longer be permitted to use the services of the station. I intend to place that letter on record so that hon. members may have the facts.

Mr. M. Carlton
490 Baker Street
Nelson, B.C.

Dear Mr. Carlton:

We seem to be on the horns of dilemma these days, a dilemma which must be obvious to everyone. Now that your paper is establishing itself as a regular advertising media, seeking its business from the same customers as ourselves, it is not reasonable that we should be defeating ourselves by building up in any way the success of a business competitor. We therefore, are invoking section 7 of our contract. As of today's date we are serving you with ten days notice of cancellation of your advertising contract No. 726. I would further bring to your attention items 4 and 6 of the conditions of contract.

Yours sincerely,

A. R. Ramsden,
Manager.

I had a conversation with the editor of the *Graphic News*. The major owner of the *News* publishing company is a gentleman for whom I have a high regard. He served overseas with the 54th Kootenay battalion and I would be surprised if he agreed to this treatment of a veteran who is trying to establish himself after fighting in the last war for freedom.

The Nelson daily *News* and the radio station in question are both owned by the News Publishing Company Limited of 216 Baker street, Nelson, British Columbia. This company was incorporated on May 18, 1908 with an authorized capital of $200,000. The list of directors together with the shares they hold is as follows:

Shares	Name	Address
1326	Robert H. Green	Victoria
28	Cecil W. Ramsden	Nelson
96	Robert F. G. Green	Victoria
108	Gordon A. Green	Victoria
5	Robert W. Phipps	Victoria
100	Margaret G. Green	Victoria
12	George G. Green	Victoria
Shareholders only:		
5	Francis E. Winston	
2270	Robert Green	

This news publishing company owns the Nelson daily *News* and radio station CKLN. Then, shortly after hearing from the editor of the Kootenay *Graphic News* I received visits from businessmen in Nelson who had become customers of the *Graphic News*. They complained that the *Graphic News* was being denied what they considered to be a right under the bill of rights, namely to advertise on a station which received its licence through an agency of the government, the board of broadcast governors. Other people mentioned the subject to me, and there was a good deal of discussion about it.

The same day I met the editor of the Nelson daily *News*, Cecil Ramsden, and told him what I thought of the matter. I dealt with him directly because I understand he is really the officer commanding all the interests of the news publishing company in Nelson. He agreed with the letter sent by the manager of the radio station and was of the opinion that they were justified, having had a monopoly in advertising for 60 years on Baker street, in preventing anyone else establishing themselves in the newspaper business by soliciting advertising from the same customers over CKLN.

I must say that the editor of the Kootenay *Graphic News* and his partners have been most successful and have received a lot of support from business people in Nelson. To indicate that sympathy and the objection to this monopolistic attitude on the part of the editor of the *News* Publishing Company, perhaps I might tell the house that in order to assist the Kootenay *Graphic News* some of these merchants, who also advertise on the radio station, are including a sentence or two at the end of their announcements such as: "You will see our advertisement in the Kootenay *Graphic News* next Wednesday", or Thursday, or what ever day it happens to be.

After talking with these people, I agreed to take the matter up with the Minister of Justice and with the chairman of the board of broadcast governors. I have done that. I discussed the matter with the chairman of the board of broadcast governors and he told me there was nothing in the act at present which would give him the power to prevent this practice. He said this was the first occasion on which such an action had been brought to his attention since he had become chairman of the board. Then I discussed the matter with the Minister of Justice. I raised it in the house and the minister later wrote to me and informed me to the following effect:

December 16, 1960

Herbert W. Herridge, Esq., M.P.,
House of Commons,
Ottawa

Dear Mr. Herridge:

Thank you for your letter of December 7, 1960, in connection with the policy of Radio Station CKLN in accepting advertising.

When you raised this matter in the house on November 18, 1960, it was brought to the attention of the director under the Combines Investigation Act. The director has considered the matter and has come to the conclusion that it does not fall within the Combines Investigation Act and that, accordingly, there is no basis for starting an inquiry under the act.

Yours sincerely,

E. D. Fulton

In addition, I have discussed this subject with representatives of the private radio stations across Canada who also informed me that this is the first occasion on which this sort of thing has been brought to their attention. They were concerned lest a practice of this sort might cause resentment and build up opposition to the private radio industry. I have had long conversations with several people on this question.

I must say that the editor of the Nelson daily *News* is really a nice little fellow, but he is a Conservative who does not understand the principles of the bill of rights. He has allowed his keen business instincts temporarily to overcome his sense of justice and his understanding of the principles of free enterprise, although when election time comes around he writes some strong editorials inviting the people of Kootenay West to support the representatives of the party that stands for free enterprise as against other persons, and so on. But this, I am sure, is a temporary aberration and I am sure he will see the light as a result of the discussion in the house and the correspondence he receives from other sources.

Naturally, the result of this has been that the hon. member for Kootenay West has received very little mention in the Nelson daily *News* since the introduction of this bill two years ago. As hon. members are aware I am mentioned on frequent occasions in the Ottawa Ontario, papers. I am infrequently mentioned in the Nelson daily *News*. For a long time I received hardly any mention at all. Until recently Your Honour did not consider certain unfortunate events in Kootenay West as a matter of urgent public importance. Constituents wrote and wired me expressing their indignation. I quickly explained Your Honour was interpreting the rule according to the book. I know you do consider affairs in Kootenay West are of urgent public importance.

Then I was stepped on in another direction. Since 1945 I have been in the habit of giving a weekly broadcast over the radio. Suddenly the manager of the radio station decided that I should be heard from only once a month from then on. An arrangement was suggested under which the hon. member for Kootenay East and I would alternate with others. The station now allows me use of the facilities twice a month. I appreciate the courtesy extended to me throughout the years so I can inform the people of Kootenay West objectively of the news and occurrences in this house. Now the hon. member for Kootenay East assists me in this. I thank him for relieving me on some occasions. But there is no Liberal in British Columbia. It was suggested that the hon. member for Bonavista-Twillingate or the hon. member for Kenora-Rainy River go on the station. However these are supposed to be local reports to the people of the area delivered by local members of parliament like the hon. members of Kootenay West and Kootenay East.

I have received many letters from constituents telling me that they look forward to my reports and many have said they miss my weekly broadcasts although they also find the reports of the hon. member for Kootenay East interesting and informative.

The interest in this bill is considerable. I have had requests from over 100 of my constituents for copies of *Hansard* containing the debate on this bill, which shows the sense of responsibility of the people I have the honour to represent. They are indignant at the transgression of the principles of the bill of rights and of responsible free enterprise.

I discussed this matter with a number of members of other parties and have yet to talk to a single member who does not support the purpose of this bill. I have discussed it with trade union members and have their support in this respect. I trust before the debate concludes I will have the support in principle of all hon. members because it is an important question. There is a great principle involved.

The matter was brought to the attention of the special committee on radio broadcasting when representatives of private broadcasters were present. I quote from page 120 of the minutes and proceedings of the committee for Monday, February 27, 1961. The hon. member for Peterborough introduced the matter as follows:

> Mr. Pitman: I would like to bring up a particular problem which has caused some amount of concern in the house. This is the problem of a station which is in a position very much like the one Mr. Jamieson was speaking about, where the station has virtually complete control, and where it refuses advertising for what is considered to be competitors.
>
> This happened at Nelson, British Columbia where a radio station refused to accept advertising of a competitor. Let me quote from this letter. This gentleman was starting a newspaper, and the radio station owned a newspaper as well.

That is not quite right. One company, the Nelson news publishing company, owns both CKLN and the paper. I will not quote from the letter. The hon. member for Peterborough went on to say:

> What we have here is a situation which, I think, is rather fantastic, where a radio station can refuse advertising of its competitor. How do you feel about that? Should there be a regulation?
>
> Mr. Brown: Are you directing your question to me?
>
> Mr. Pitman: Anyone at all is welcome to pick it up.

Mr. Jamieson: May I say that I believe this is extremely rare. I do not recall in ten or eleven years of being in the broadcasting business in Canada another incident comparable to this one.

We have a lot of unusual incidents in Kootenay West. Mr. Jamieson went on to say:

I believe that the board of broadcast governors has had this matter called to its attention, so I would not want to anticipate what the board's feelings are on this matter, because I do not know them.

I have discussed the matter with the chairman of the board of broadcast governors, taken the matter up with the Minister of Justice, had the matter drawn to the attention of the special committee on broadcasting and discussed it with several hon. members. I have fulfilled the promise I made to merchants and other citizens of Nelson and district. It is a complicated question in some respects and therefore I discussed it with competent legal authorities. After receiving their advice I spent considerable time getting the advice of persons in private radio and government agencies and then I introduced this bill.

This bill is to amend the Broadcasting Act (human rights abuses remedied). I like those terms. Reading from the explanatory notes of the bill:

Both the English common law and the French civil law recognize the doctrine that the right of the businessman or industrialist to do business only with persons of his choice is subject to restrictions based on reasons of good morals or public order: such is the case where the state takes exclusive control of a commercial field and grants a special privilege or licence in that field to the businessman or industrialist to sell, under monopoly or quasi-monopoly, to the public; the licensee then assumes definite obligations, including the obligation to sell to anyone who is ready to pay the regular price. *See Christie v. York Corp., (1940) Supreme Court of Canada, p. 139.*

Various other cases and authorities are referred to. I continue:

In the *Christie* case, Mr. Justice Davis said:

"If there is to be exclusion on the ground of colour or of race or of religious faith or on any other ground not already specifically provided for by the statute, it is for the legislature itself, in my view, to impose such limitations under the exclusive system of governmental control of the sale of liquor to the public which it has seen fit to enact."

The Canadian parliament, for public convenience, interest and necessity, has by the Radio Act allowed the crown to grant monopolies by licence to individuals and corporations to operate broadcasting stations for private gain. Under the common law and civil law, therefore, such stations must sell advertising time without discrimination. In 1960, parliament confirmed this law by statute. Section 2 of the Canadian Bill of Rights applies to provide that the Radio Act and the Broadcasting Act shall not be so used as to violate the rights or freedoms of any citizen: e.g., freedom of speech or freedom of the press. Presumably, the governor in council might make regulations to control such excesses or the minister of transport arbitrarily remedy violations by revocation or suspension of licence. Transport shall revoke forthwith the licence of such licensee and shall notify the licensee of the revocation so made.

I mention the following as getting at the principle of the bill:

Clause 1—For clarity, and emphasis of notice to the licensee, this clause provides, generally, that a licence is conditional upon observance of the Canadian Bill of Rights; and, specifically, that there shall be no discrimination by a licensee in providing commercial services to competitor applicants —e.g., freedom of the press includes liberty of circulation and distribution, as well as publication— and liberty of circulation and distribution includes the right to compete for advertising space on a government licensed advertising media—without discrimination because the applicant competes in the newspaper field with the broadcasting monopolist. Subsection 6(a)(i) is an adaptation of provincial public utility anti-discrimination law.

That subsection of the bill is an adaptation of provincial public utility anti-discrimination law as taken from the statutes of British Columbia. The subsection has been included for a number of years to prevent discrimination and refusal of service, and so on and has proved successful and operates well.

Subsection 6(b) follows the procedure—

Mr. Speaker: Order. I am sorry to interrupt the hon. member but his time has expired.

Mr. Herridge: In conclusion—

Mr. McGrath: Might I suggest that we allow the hon. gentleman a few more moments.

Mr. Speaker: The hon. member indicates that he is about to conclude. Perhaps hon. members will give the hon. member a few minutes in which to do so.

Some hon. Members: Agreed.

Mr. Herridge: I appreciate that courtesy, which has become necessary because of my having to give such a long historical sequence before I came to my legal argument. Anyway, upon violation, the Minister of Transport revokes the licence. The licensee, has a right to appeal on any question of law to the exchequer court which may suspend the revocation until the appeal is determined. I have received good advice and discussed this matter with counsel and I believe this bill is fair to all concerned and will remedy the abuse of which I have complained. I trust that I shall receive support from members on both sides of the house in my efforts this afternoon to strike a blow for freedom in defence of the Canadian Bill of Rights.

Mr. J. A. McGrath (St. John's East): Mr. Speaker, in rising to speak on second reading of this Bill No. C-32 may I say at the outset that I wish I could support the

principle of it. However, I am afraid I cannot do so. Nevertheless, I am prepared to say that, without any reservation whatsoever I certainly support the hon. member for Kootenay West in what I consider a legitimate grievance. I think that it is most unfair—and it is certainly contrary to the laws of fair play—that the radio station in the hon. gentleman's constituency should deprive his constituents of the enjoyment of hearing the sage and wise utterances of the hon. member for Kootenay West more than once a month. In this regard, I think the hon. gentleman certainly has a legitimate grievance.

Mr. Herridge: May I say that I am now on twice a month.

Mr. McGrath: That is all to the good. I hope that before too long the hon. member will be on four times a month.

Mr. Herridge: A great many people hope the same thing.

Mr. McGrath: However, I question the course adopted by the hon. gentleman, who is most sincere in his intent, in that he should have deemed it necessary to bring in a bill in this regard. He does so under the premise of being a champion—I do not know whether or not he used that word but that was his implication—of legitimate free enterprise.

The right to advertise is basic in our free enterprise society and in our democracy. However, with respect to advertising as we know it in Canada—that is advertising using electronic means and advertising using the printed media—may I say that it is not a right. Advertising is not an end in itself as far as radio is concerned and as far as newspapers are concerned. It is merely a means to an end. Under our system of public and private broadcasting it is a means whereby a private broadcaster can accept fees in return for advertising which goes towards the cost of his programming and his transmission. Indeed, usually in the case of a private station these advertising fees more than cover the cost of programming, production and transmission, enabling the broadcaster to make a profit and hence to stay in business. However, as I say, it is not an end in itself. It is just a means to an end. In return for these services the broadcaster agrees that for the fee in question he will deliver the sales message of the sponsor or advertiser to the widest possible audience. That is where his contractual rights end, of course, saving professional ethics.

What the hon. gentleman is trying to do in this bill is, by means of an act of the parliament of Canada, to say to a broadcaster "You must accept every request you get for advertising". That seems to be the intent of the bill.

Mr. Herridge: No; only on grounds of competition.

Mr. McGrath: The hon. gentleman did not explain that part fully, but perhaps as I proceed he will correct me if I am wrong. What he has in mind is that where competitive media are concerned, he must accept advertising from all the media. Is that what the hon. gentleman is trying to say?

Mr. Herridge: Yes; he must not deny advertising just on grounds that the person is competitive, or the company.

Mr. McGrath: In my opinion, that is precisely the grounds upon which he should be entitled to refuse advertising. It seems to me to be absolutely ludicrous for a broadcaster to find himself in the position of being obliged to advertise a sales message of competitive media. In Canada newspaper advertising and electronic advertising are very competitive, as the hon. gentleman illustrated in his introductory remarks in referring to the two newspapers in his constituency, and the private broadcasting station. However, I believe that the bill is misconceived although the intent is good. I believe it to be redundant. In my humble opinion what he is trying to do is very clearly set out in the Broadcasting Act. I would refer the hon. gentleman to section 10 of part I of the Broadcasting Act wherein the objects and purposes of the board of broadcast governors are set out. Section 10 states as follows:

> 10. The board shall, for the purpose of ensuring the continued existence and efficient operation of a national broadcasting system and the provision of a varied and comprehensive broadcasting service of a high standard that is basically Canadian in content and character, regulate the establishment and operation of networks of broadcasting stations, the activities of public and private broadcasting stations in Canada and the relationship between them and provide for the final determination of all matters and questions in relation thereto.

Then the next section of the Broadcasting Act, namely section 11 deals with regulations. Subsection (1) (c) provides as follows:

> 11. (1) The board may make regulations for carrying out the purposes and provisions of this part, and in particular, but without restricting the generality of the foregoing, may make regulations, . . .
> (c) respecting the character of advertising and the amount of time that may be devoted to advertising;

Then in so far as appeal procedure is concerned, I think perhaps the hon. gentleman is more concerned with the fact that the newspaper to which he referred—I believe it was the Kootenay *Graphic News*—felt that it had a legitimate grievance. The hon. gentleman has stated that he checked with the various

government agencies concerned and that it was evident that there was no other way for this newspaper to redress its grievance than by a statute of parliament. I do not believe that is the case, as there is a further provision in the Broadcasting Act. If the Kootenay *Graphic News,* in its grievance against radio station CKLN, wished to pursue the matter, it should follow the *Canada Gazette,* for under the Broadcasting Act radio station CKLN would be required after several years have elapsed to appeal to the board of broadcast governors for the renewal of its licence. A licence is not granted in perpetuity. I do not know what the time limit is but I believe it is a period of five years. When the radio station applied for renewal of its licence the newspaper referred to as having a grievance with respect to the station could appeal to the board of broadcast governors and state its case. The board would then decide if it had a legitimate grievance and would take this into account in the extension of the licence or the board, if it deemed it necessary to do so, could formulate regulations to guard against just such alleged abuses, which it is permitted to do under the powers in the act.

It seems to me that to provide for regulation by statute is a very dangerous practice because what you are really doing is depriving the radio station of the right to be discriminating in the advertising it accepts. In all fairness I do not think that a radio station should be expected to carry the sales message of its chief competitor. That is really the whole crux of the argument as I see it. However, apparently the Kootenay *Graphic News* and the hon. member for Kootenay West unfortunately do not see it this way. The hon. member referred to the proceedings of the broadcasting committee and the fact that his colleague, the hon. member for Peterborough, had raised this matter in that committee. I have been a member of that committee for the past several years, and while I do not recall that particular reference I am grateful to the hon. member for bringing it to my attention. In his reference to the proceedings of the broadcasting committee the hon. member referred to the fact that the witness, Mr. Jamieson, who is president of the Canadian association of broadcasters, said in answering the hon. member for Peterborough that in his opinion this was an extremely rare case. In other words, it does not usually happen.

Mr. Herridge: That is what the chairman of the board of broadcast governors said.

Mr. McGrath: That seems to me to be another very good reason why we should not regulate such a matter by statute. It seems to me that would be an extremely dangerous course to follow. I refer now to the proceedings of the broadcasting committee to which the hon. member referred, and I read part of what Mr. Jamieson said in reply to the hon. member for Peterborough:

> Again you would have to take the individual case and assess it on its merits. Let us suppose there were two television stations in a given market. Would the committee consider it reasonable that a station which was in difficulty, for instance, could move over to its competitor and run adds which say: "Don't you think this is a terrible program? Do not look at this. Switch over to our channel." This certainly would be refusing competitor advertising, and it is conceivable that it could happen.

Mr. Herridge: Would the hon. member mind my explaining something?

Mr. McGrath: Not at all.

Mr. Herridge: The point here is that the competition is not to a great extent with the radio station. The competition is with the Nelson daily *News* because the *Graphic News* is taking advertising away from that paper. There is where the competition lies. The Nelson News Publishing Company is using its influence in CKLN to overcome that, if possible.

Mr. McGrath: The hon. member has referred to a fact that I omitted mentioning, that the owners of the radio station are also the owners of the other competitive newspaper. To me that is another good reason why they should not accept advertising from the Kootenay *Graphic News* because they are already advertising the Nelson daily *News.* In our free society surely this man has a right to accept advertising contracts only from those sources he deems desirable. That is the crux of my argument. I submit with deference to the hon. member, to whom we enjoy listening and whose opinions we respect, that in this particular case I believe he would have been much more justified in bringing this matter before the house as a grievance. There is a period during our proceedings when the hon. member could have raised this matter as a grievance. He has brought it up on the orders of the day on several occasions and it has been brought up in the broadcasting committee.

I submit it would be a most dangerous practice for the house to consent of the passage of this legislation which would regulate advertising, because once you start to regulate advertising where do you stop? The next step is to regulate the sale of automobiles, for example. You could go to the most dangerous lengths and regulate the assimilation of news itself. For these reasons I cannot support the legislation.

(Translation):

Mr. Augustin Brassard (Lapointe): Mr. Speaker, I should like to say just a few words with regard to the bill now before us.

I believe all hon. members are aware of the sense of justice and social sense which characterize the hon. member for Kootenay West. (Mr. Herridge), and I am not surprised to hear him take up the defence of anyone who seems to be victimized.

However, I was agreeably surprised to see him champion the cause of private enterprise, which he calls legitimate private enterprise. I commend him for this.

I also listened to the hon. member for St. John's East (Mr. McGrath) who stated that it would be most difficult to find a solution, by means of legislation, to the problem stated by the hon. member for Kootenay West.

I think that the hon. member for Kootenay West almost exhausted every means of finding some remedy for that problem in his riding, and I wonder whether this is not a case of abuse which comes very near to being a monopoly.

He stated that he had had some talk with the Minister of Justice (Mr. Fulton) and it seems that no steps have been taken to call to order the man who, it seems, proposes to control a certain geographical district.

I want to tell the hon. member for Kootenay West that I sympathize with him and that I am astonished he should have to remind the government which endowed us with the Canadian Bill of Rights, that there is still some part of this country were human rights are violated.

(Text):

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, first of all I should like to congratulate the hon. member for Kootenay West on presenting this bill. From listening to him I take it that briefly these are the facts. In this particular area there is a radio station, CKLN, and two newspapers. One newspaper and the radio station are owned by one company, the Nelson News Publishing Company Limited which the hon. member said was incorporated in 1908. I want to say at the outset that I certainly agree with the spirit of the bill; but the situation is a little different from ordinary free enterprise because a radio or television station secures its right to operate under a licence. Because of that fact these stations enjoy a monopoly in certain sections of the country.

I think I can safely say that whenever I have spoken in the house or outside it I have always stood for free enterprise and against any kind of monopoly, whether it is a state monopoly granted by licence or a capitalistic monopoly as in this case which is granted by licence by the government. A monopoly may also be a provincial monopoly such as we had in the province of Saskatchewan or a capitalistic monopoly such as this one created by a licence from some board.

Now, I want to say again that I agree with the spirit of the bill itself, and I would support the bill. However, there are two or three points I should like to bring to the attention of the house. I know that during the debate on second reading of a bill one does not refer to the sections, but I should like to deal with the spirit of clause 1(b) in which the draftsman has endeavoured to make the Canadian Bill of Rights apply to this bill. I feel that the Canadian Bill of Rights applies to all federal statutes. In so far as the bill of rights is concerned, it may be a good time to say that there are some people even judges and students of jurisprudence, who feel that some of our courts have not given the bill of rights the proper interpretation. This is a general feeling. I think if you read the debates with regard to the bill of rights, you will see it was intended that all federal statutes then on the books should be amended as well as those passed in the future, unless the statute said otherwise.

I should like to come back to a consideration of clause 1(b). I am certain the hon. member for Kootenay West has a legitimate complaint, not only because he could only speak on the radio once or twice a month but because this newspaper was not allowed to advertise over the radio. This would probably be a legitimate complaint. The hon. member read the letter in which the company stated the reason they were not advertising the other newspaper was that they were in the publishing business themselves and they did not want to advertise competition. If I may refer to clause 1(b), I find that the Minister of Justice, upon receiving any complaint, shall ascertain whether or not a licensee has breached in any particular the conditions set out in paragraph (a).

The first complaint that I have about the bill is that it gives too much power to the minister. I know that in this particular government we have a very fair Minister of Justice who has a sense of justice. This has been evident at any time we have heard him in debate. The fact is, though, that this clause gives the minister too much power. We may, at some time in Canada, have a minister of the wrong calibre who might exercise this right to take away the licence of a radio station. Then this bill would create a monopoly because if that happened the member for Kootenay West would not even be on the radio once a month. He would be off the radio because the station would be turned off.

Then, the Minister of Justice, after receiving the complaint may report to the Minister of Transport who can revoke the licence of the radio station.

It is true that in paragraph (d) the radio station may appeal to the exchequer court. As the hon. member for Kootenay West was saying, this was a legitimate complaint and if this bill had become law then station CKLN would have lost its licence because of its failure to advertise this newspaper. Let us suppose it was not a legitimate complaint or at least the radio station believed it was not a legitimate complaint. Then, the station has the right to appeal to the exchequer court. This is all very fine, but the person launching the appeal must pay a solicitor and pay the expenses of the appeal. Unless the court exercises a discretion, however, that licence has lapsed. Sometimes litigation can take from four to six weeks and sometimes judges reserve their decision so that the time may be considerably longer. This radio station might be off the air for a whole year and the hon. member for Kootenay West would not be heard by his constituents for a whole year. This would be particularly unfortunate if it were an election year.

However, under clause 1, paragraph (d) the court can exercise a discretion and allow the station to continue broadcasting. This is only a discretion and it might not be exercised. My first complaint with respect to the bill, therefore, is that it gives too much power to the minister. When you give power to a minister by legislation it really means you are giving power to some officer of the department to exercise a discretion. We often see how that discretion is exercised and sometimes it is not exercised judiciously. I would oppose the bill on that ground. There is also the fact that the radio station or television station would have to appeal then to the exchequer court at their own expense at a time when they may be off the air.

In so far as the bill of rights is concerned, I am happy to learn that the new leader of the N.D.P. group holds the bill of rights in such respect. This is one thing this government has done. The bill of rights has spelled out, for the first time, that we are to have freedom of the press. This is written right in the statute itself. I believe this provision illustrates the fact that the Conservative party and this government have always stood for freedom of expression. I recall that some years ago, and I am sure the hon. member for Kootenay West recalls this, the Social Credit party was elected to power in Alberta and they tried to control the press. They introduced a bill in the legislature which became law but was later declared ultra vires by the Supreme Court of Canada.

The hon. member for Kootenay West referred to Mr. Justice Davis of the Supreme Court of Canada, and cited his judgment to which reference is also made in the headnote of the bill itself. When the hon. member quoted Mr. Justice Davis with approval, he was really quoting from the dissenting judgment of the Supreme Court of Canada. The Supreme Court of Canada stated in that case very carefully that everyone has a right to decide what business he wants or what business he will reject. The effect of the judgment was to extend what has been the common law of the Anglo Saxons for many years into the field of law covering companies that operate by licence.

Then, I have to agree to some extent with the remarks made by the hon. member for St. John's East (Mr. McGrath). Supposing a radio station did not want to advertise *Hush* magazine, or whatever it is called. Surely, they would have that right. Someone may come along and ask them to advertise "Lady Chatterley's Lover" and, although the Supreme Court of Canada has said it is all right for Canadians to read, perhaps the radio station would not want to lower its standards by advertising that kind of material. I do believe, therefore, that this would be a third ground for rejecting the bill. A person could make his motives look legitimate, convince an officer of the department that such was the case, and cause a station to lose its licence. In consequence, the station would have to appeal. Then the onus is on them to prove their innocence and that, of course, is contrary to our understanding of jurisprudence.

Again, I should like to congratulate the hon. member for Kootenay West because I agree with the spirit of the bill. However, the way in which the bill has been drafted has caused me to raise the points I have raised and I believe it may cause more harm than good. In other words, you cannot cure an evil by enacting something worse.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, in making a few remarks on this bill I should like to start out by saying that I agree with the principle that if any person or body has been granted a monopoly that monopoly must be used in a fair and equitable manner. This principle that I have stated must specifically apply to competitors of that monopoly; but this is a very difficult situation because if you have a monopoly, who are your competitors? I submit that you do not have any if you have a monopoly such as is set forth in this particular bill.

I know that the hon. member for Kootenay West foresaw this difficulty because he went

a little further and defined what he felt a competitor to be, in that he used the words in the section, and I quote:

—for reason only that the person so applying carries on a business that competes with a business in which the licensee has an interest;

In other words it is not to apply against a competitor in the business of broadcasting, but a competitor in some other business which is not defined in the bill.

I realize that the hon. member has taken an injustice, as he sees it, and has built around it a bill which he is presenting to parliament. However I believe that the bill has been narrowed down to such a point that it is not in effect a general matter of legislation but is merely to cover a certain, specific situation, and that it would not properly apply to a lot of other situations that might arise. So I say it would be very difficult, if not impossible, to say what some other person might have as a business which would compete. For that reason I think the bill is deficient.

The next matter relates to the question that certain broadcasting stations, particularly radio stations, do not keep scripts of many of the news items and other programs which are broadcast over them. This is a shortcoming that has turned up on many occasions. If certain things are said, or are alleged to have been said in a broadcast, particularly matters relating to news, on a good many occasions you cannot get the script to determine exactly what was said. Therefore it becomes very difficult to find what reason may have been assigned for refusal to do any broadcast or carry any advertising.

Also I think it would be ineffective because of the difficulty in proving that a refusal to accept advertising arises only for the reason that the competitor has an interest in the business. We have seen a good many instances where it would be practically impossible to say or prove that the only reason a station refused to accept advertising was that the other competitor had an interest in a competing business.

In the first place, if the bill were enacted you would not have the situation which the hon. member has put forward, where a broadcasting station has admitted, or in effect has admitted, that this is the reason it refused to accept the advertising. It would be very difficult, almost impossible, to secure such an admission by a person who is about to have his licence suspended for that very reason. You could not reasonably expect an admission and if you do not have an admission you must have proof that such a refusal was for the sole reason which was given in the bill. Could such a situation be proven?

I would foresee that any person who did not wish to accept advertising from someone could think of a dozen good reasons why he should not do it. He might put forward the excuse that the time which was requested was not available. He might make charges for that type of advertising which would be unreasonable and which would prevent the prospective advertiser from placing his advertising.

I would suggest that a person who wanted to contravene the very narrow provisions of this bill would have no difficulty in doing so.

There has been some reference made in the bill to the Canadian Bill of Rights. Certainly the bill of rights, as enacted, has done a great deal to remove discrimination in matters of this nature. I see it is six o'clock.

Mr. Herridge: Would the hon. member permit a question?

Mr. Aiken: Yes.

Mr. Herridge: I hope the hon. member understands clearly that I was not complaining about a reduction of my radio time or newspaper space, but does the hon. member realize there is some political advantage in being recognized as the people's David against the Goliath of monopoly?

Mr. Aiken: I would be very pleased to give the hon. member an answer when we resume this debate.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire whether the house leader has had any opportunity of considering the suggestion I made at five o'clock?

Mr. Churchill: That will be considered over the week end. On Monday we propose going ahead with legislation. I shall name five items for consideration so that hon. members may be ready. The order in which I call them may be altered on Monday morning and, if so, I shall advise parties on the opposite side. The items are: the second reading of the Bill C-38, dealing with financial and statistical information, the resolution in the name of the Secretary of State dealing with the universal copyright convention, the resolution in my name dealing with the Veterans Land Act, the resolution in the name of the Minister of Finance dealing with the Currency, Mint and Exchange Fund Act, and the resolution in the name of the Minister of Finance dealing with crown corporations.

Mr. Chevrier: Mr. Speaker, I think I should bring it to the house leader's attention—and I am glad the Minister of Finance is here—

that we are dealing on Monday with legislation and not with the supplementary estimates. If it is a fact, as the Minister of Finance told us repeatedly in this house, and as it was said—

Mr. Speaker: Order. This is not a period for debate. The hon. member who leads the opposition is entitled to inquire about the business of the day but it appears to me that he is entering on a debate of what should be done.

Mr. Chevrier: I rise on a point of order because I think this is of utmost importance. There are two points I would like to raise in connection with the matter. I do not know if Your Honour was in the chair when at five o'clock I made to the house leader what I thought, after serious consideration, was a reasonable suggestion. I understood consideration was going to be given to that between five and six o'clock and now we are told it will not be considered until the week end.

We were told yesterday and today that the supplementary estimates were of such an important nature, but we are not being asked to deal with these on Monday.

Mr. Speaker: The hon. member is entitled to inquire but not settle the order of government business.

Mr. Churchill: That is news to him.

Mr. Chevrier: I am not trying to settle government business and there has been no such suggestion from me or the opposition on our part, but I did put a plan or suggestion which apparently has not even been considered.

Mr. Churchill: With an ultimatum that it be considered by six o'clock. I said we shall consider it over the week end. We shall operate the business of this house and we do not need to take instruction from the hon. member for Laurier.

Mr. Pickersgill: You are making a rotten mess of it.

Mr. Chevrier: Mr. Speaker, I am not going to allow the leader of the house to make that statement.

Mr. Speaker: Order. The hon. member should resume his seat. There will be opportunities to discuss the issues that are involved.

Mr. Chevrier: Closure.

Mr. Speaker: It being six o'clock I must declare—

Mr. Fleming (Eglinton): Order.

Mr. Speaker: Did some hon. member indicate an objection?

Mr. Fleming (Eglinton): While you are on your feet the hon. gentleman said "closure".

Mr. Chevrier: Yes, sir, I said "closure" but my remarks were not addressed to you. They are addressed to those two hon. gentlemen on the other side of the house.

Mr. Fleming (Eglinton): Eyewash.

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

[The following item was passed in committee of supply]:

DEPARTMENT OF LABOUR

A—Department—

Technical and vocational training assistance—

636. To carry out the purposes of the Technical and Vocational Training Assistance Act and agreements made thereunder—payments to the provinces—further amount required, $28,400,000.

HOUSE OF COMMONS

Monday, March 19, 1962

The house met at 2.30 p.m.

PRIVILEGE

MR. CHEVRIER—REFERENCE TO REPORTED SPEECH BY PRIME MINISTER

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I rise on a question of privilege arising out of a report in the Montreal *Star* of March 17, 1962 of a speech made by the Prime Minister (Mr. Diefenbaker) reflecting on the conduct of members of the opposition in this house. I should like to read the following extract from that paper:

> Prime Minister Diefenbaker in a Montreal address last night criticized delaying tactics which he said were holding up passage of important legislation.
>
> By needless debate of the government's supplementary estimates, he claimed, Liberal members were blocking "legislative enactments we wish to place on the country's statute books."
>
> The Prime Minister laid the blame on a "small group of Liberals in the house—"

That statement is not in accordance with the facts. For example on Thursday of last week, as Your Honour knows, after the Minister of Finance—

Mr. Speaker: Order. The hon. member need not refer to what happened in the house, as that is common knowledge, and furthermore that matter was disposed of at the time. If the hon. member sees a question of privilege affecting members in the remarks as reported, perhaps he could give me some authority or precedent for the proposition he makes.

Mr. Chevrier: First of all I should like to add another statement which substantiates what I have said. Then I shall be glad to give Your Honour some authority. The Prime Minister went on further to say this, and I quote his words:

> "Now," he declared, "we have been held up 14 days by fruitless talk designed to delay the country's affairs. I welcome full discussion but not mere repetition. I don't know the reason. I'll leave the answer to you."

That is an inaccurate statement, because they have not been held up for 14 days.

Then, sir, to come to the point which you raised and which affects the privileges of the opposition in this free parliament, it is this. When the Prime Minister seeks by statements outside the house, which are not supported by the facts, to restrict freedom of debate within the house—and according to the same press report that is what the Prime Minister was trying to do—I do not think the rules of the house permit the Prime Minister to make these reflections upon the members of the opposition, particularly having regard to the fact that the Minister of Finance indicated clearly that consideration of these estimates should be completed by the middle of the month, the Prime Minister himself said they should be completed by the end of the month, and the house leader said that they—

Mr. Speaker: Order. The hon. member's discussion of the matter is, I think, ranging unnecessarily widely. The point he makes is that there is a breach of privilege if an hon. member makes statements outside of the house that are critical of the conduct of members in the house. I have no recollection that such an outside speech has been held in the past such as to raise a question of privilege, particularly where it was a general imputation against a group and not critical of an individual; nor is there anything in the report of the speech from which the hon. member has read to indicate that what was imputed to members of the opposition generally was something which would be morally improper or wrong.

There have been a good many instances in the house when members on both sides have accused those on the other side of blocking legislation, and that has not generally been held to be improper even when said in the house. Therefore unless the hon. member can find some precedent for the point he raises, it seems to me that he would have difficulty making out a case of infringement of the privileges of the house. Perhaps the party involved, the Prime Minister, would like to comment on the point raised.

Mr. Chevrier: May I complete my point? Your Honour has asked me to give you a precedent. I think a precedent has been established by Your Honour, because what in effect the Prime Minister was doing was repeating outside the house what Your Honour rebuked the Prime Minister for doing inside the house; because Your Honour—

Mr. Speaker: Order. Before the hon. member proceeds, may I say that in my view the circumstances there were quite different. What was objected to there was a remark made following an answer to a question, a

remark made in the house that was related obviously to the conduct of the members who were then asking questions—

Mr. Chevrier: Concerning the business of the house.

Mr. Speaker: —and in my view that charge or imputation then made was not a proper one to be introduced into an answer to a question. If it had been a general observation that the opposition was employing tactics which were obstructing the procedure of the house I would not have found that objectionable because that has been done from time to time, and, although it is not desirable it is not something that has been regarded as a breach of privilege. Unless the hon. member has a further precedent, I consider that to be a distinguishable circumstance.

Mr. Chevrier: May I be allowed to give this additional precedent? The statement made by the Prime Minister outside the house was not factual; it was not in accordance with the facts.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, may I now give the facts? On supplementary estimates in—

Mr. Speaker: Order. Before the Prime Minister proceeds, may I indicate that what is before the house is a question of privilege, and I do not think the question of privilege is to be disposed of on a verification of the facts as to the circumstances which give rise to the question of privilege. The question of whether what the Prime Minister is alleged to have said actually was said is a fact that is relevant; and if it was said, whether it then raised any matter of privilege. I would not consider it appropriate to attempt to establish the fact of whether or not the opposition has been employing tactics which are delaying.

Mr. Diefenbaker: With the greatest of respect, Mr. Speaker, you have allowed the hon. gentleman to make statements that are not in accordance with the facts, and I want to clarify the record so there will be no doubt.

Hon. Paul Martin (Essex East): Speak to the question of privilege. On a point of order, Mr. Speaker—

Mr. Diefenbaker: I think I have the floor now.

Mr. Speaker: If the point of order relates to what the Prime Minister is about to say I will hear it.

Mr. Martin (Essex East): Mr. Speaker, you have made a ruling that the right hon. gentleman may speak to this matter in so far as it involves a question of privilege. The right hon. gentleman now is about to ignore your ruling and is doing the very thing Your Honour said he should not do.

Mr. Speaker: The hon. member knows more about what the right hon. gentleman is about to say than I do, then. The Prime Minister is at liberty to deal with matters brought forward by the hon. member for Laurier. This is one of the basic rules of debate. The only matter about which I was cautioning the Prime Minister was not to become involved, as I thought he might be from his opening sentence, in an attempt to demonstrate factually what the conduct of the opposition has been.

Mr. Diefenbaker: Were I to rise on a question of privilege, Mr. Speaker, every time I saw a statement the opposition made outside of the house which was not in accordance with the facts, we would not get very much business done. I do not follow that course. However, in view of the statements made by the hon. gentleman, I think I will let the record answer him.

Mr. Martin (Essex East): Order. The Prime Minister is now seeking to do what you said a few minutes ago, Mr. Speaker, he could not do.

Mr. Speaker: Order. As I recall it, the hon. member for Laurier, in his statement, said that what the opposition was accused of was not true. It seems to me it would be improper to prevent the Prime Minister from replying.

Mr. Chevrier: Your Honour did not give me an opportunity to prove that what was said by the Prime Minister was untrue. I wanted to do that, but Your Honour interrupted me. Now Your Honour is giving the Prime Minister the right to put the facts on the record. I have facts here, and I think my facts are equally as accurate as those which the Prime Minister intends to produce.

Mr. Speaker: Before the Prime Minister proceeds, may I say this. In my opinion there is no question of privilege involved in the facts which have been brought forward by the hon. member for Laurier. However, certain statements have been made, and I think it is only proper that the Prime Minister should have the opportunity to controvert those statements. I would hope that he would keep himself within that category.

Mr. Pickersgill: On the point of order—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I find great difficulty in putting these facts before the house.

Mr. Speaker: I think the point of order has been sufficiently dealt with, and the course

should be to give the Prime Minister an opportunity to reply. He has not yet had an opportunity to say what he has to say.

Mr. Diefenbaker: I think the facts will speak for themselves, and that may be the reason for the points of order that are being raised so indiscriminately. In 1962 the number of days spent on supplementary estimates up to March 16 was 14. I now take a period of time while we were in opposition to set out a comparison in 1952-53, one day—

Mr. Speaker: Order. I think the Prime Minister has misunderstood me, because if he continued in that vein he would really be debating the issue of whether or not the conduct of the opposition amounts to obstruction. I do not consider that that point is in issue. The question that was raised was whether there had been a breach of the privileges of the house in what the Prime Minister had said, to the effect that he is now endeavouring to substantiate. The substantiation of what the Prime Minister said would, to my mind, be irrelevant. It opens a debate on the conduct of the opposition rather than on a question of privilege. I had only given the Prime Minister the floor to comment as far as was necessary on the charges that were made by the hon. member for Laurier.

Mr. Diefenbaker: I do not know how I can answer the allegations without placing the facts before the house, and I simply want to point out certain facts, that in the period from 1952-53—

Some hon. Members: Order.

Mr. Martin (Essex East): On a point of order, Mr. Speaker, you have ruled on the point; you have ruled that the Prime Minister cannot continue, and the Prime Minister continues to defy that ruling. He should be the first one in this house to obey your ruling.

Mr. Walker: You don't want the truth.

Mr. Speaker: The hon. member must at least allow enough latitude until the tenor of the Prime Minister's remarks is apparent. I had indicated to the Prime Minister that an attempt, by the introduction of other evidence, to demonstrate that what has happened amounts to delaying tactics was irrelevant. I think that is the correct view. The Prime Minister is at liberty to comment on what has taken place here in this house in this session, insofar as it has been raised by the hon. member for Laurier, but I would consider it improper to go beyond that to endeavour to establish, by comparison and debate, that fact which is not really at issue.

Mr. Diefenbaker: With the greatest of respect, Mr. Speaker, I do not know how I can answer such an obviously transparent suggestion by the opposition that a question of privilege arises. I point out with great deference, that in the period of five years between 1952 and 1956, supplementary estimates took nine days.

Some hon. Members: Order.

Mr. Robichaud: Defying the Speaker again.

Mr. Speaker: Order. We must allow the hon. member reasonable latitude to make his point. He has to express his view.

Mr. Diefenbaker: The total number of days taken up on supplementary estimates was nine days, for five years.

Mr. Benidickson: Why not 1957?

Mr. Martin (Essex East): I appreciate the position Your Honour is in, trying to accommodate both sides with a sense of fairness, but Your Honour has made a ruling and the Prime Minister has now twice, in my judgment, defied that ruling. If it is felt that there should be a discussion of this matter on the merits there is a procedure open to the house, and that is to allow both sides to discuss the merits of the question. But the Prime Minister, although he is the leader of the house, has now risen for the second time and each time he has risen he has defied your ruling.

Mr. Speaker: I think perhaps the hon. member has some justification for his point, but I suggest to him that he is prejudging the issue. The Prime Minister must be given some latitude to deal with the matter in his own discretion. I have indicated the lines which I think are appropriate, and I am sure the house will give the Prime Minister an opportunity to comment, as he is entitled to do, on what was said by the hon. member for Laurier, without being unduly restrictive and sensitive. If I find that it goes beyond what I consider to be the appropriate course, I shall take the necessary steps.

Mr. Diefenbaker: On that, Mr. Speaker, I am simply pointing out that the hon. gentlemen's sensibilities are easily aroused. A statement has been made that I said something that apparently was unfair.

Mr. Pickersgill: No; untrue.

Mr. Diefenbaker: What I did was simply point out that in a period of five years, when we were equally careful in examining estimates, we used up nine days on supplementary estimates, and so far 14 days have been used up by the opposition this session. I can only repeat, having read each

and every line of what has been said, that it is very apparent that repetition is not foreign to the opposition. Over and over again they have said the same things. More than that I need not say.

Mr. Hellyer: Listen to the master calling.

Mr. Diefenbaker: Compared with what happened over that period of five years, what is happening in this session of parliament drives anyone who gives it consideration to a conclusion which I am prepared to accept.

Mr. Chevrier: Mr. Speaker—

Mr. Speaker: I do not know whether or not the hon. member for Kootenay West wishes to intervene on this point—

Mr. Herridge: No, Mr. Speaker.

Mr. Speaker: If not, I will hear the hon. member for Laurier.

Mr. Fleming (Eglinton): On what subject?

Mr. Martin (Essex East): On the merits now. We are going to have a debate.

Mr. Chevrier: Mr. Speaker, the Prime Minister has said that he has been accused, by the statement which I raised on a question of privilege, that what he said in Montreal was unfair. That is not what I said; I said that the statement made by the Prime Minister was untrue, and I would like to prove that the statement he made was untrue, since he took time to deal with exactly the same thing by putting on the record some of the facts which he said he had.

We know very well what happened in this house on Thursday. On Thursday there was far more time taken up by hon. members on the other side of the house than there was by hon. members on this side of the house.

Mr. Speaker: Order. I think the hon. member for Laurier will agree, and I am sure the house has come to the conclusion by this time, that we are engaged in a perfectly fruitless debate. The hon. member for Laurier did, as was his right, raise objection to what was said on the basis that it involved a matter of privilege. In my view it does not raise a breach of the privileges of the house. There has been some debate on both sides as to the merits of the accusation which, as I said, is not relevant. We can go on and have a first class debate on that issue, but it would be entirely irregular and out of order.

If the hon. member for Laurier has nothing further to add except to demonstrate the propriety of the conduct of the opposition, I suggest that he do it by letting us get on with the work of the house.

[Mr. Diefenbaker.]

Mr. Chevrier: I have something more, Mr. Speaker. The Prime Minister has said that 14 days were taken up. That is not a fact. We have been dealing with further supplementary estimates No. 3 since the 8th day of March. That is seven days—

Mr. Diefenbaker: What about group No. 2?

Mr. Chevrier: —and not 14 days, as the Prime Minister said. As we well know, we were told by the Minister of Finance, first, that these supplementary estimates No. 3 had to be passed and disposed of by March 15. We were then told by the Prime Minister in this speech in Montreal that they had to be completed by the end of the month.

Mr. Diefenbaker: No.

Mr. Chevrier: Then the leader of the house felt they were of such little urgency that it was not necessary to go on with supplementary estimates today; he announced on Friday that we should go on with legislation. So that we have three degrees of urgency; that laid down by the Minister of Finance, which was very urgent; that laid down by the Prime Minister, which was less urgent, and that laid down by the leader of the house, which was that there was no urgency at all because we would go on with legislation on Monday.

Mr. Speaker: Order. I recognize the Minister of Finance. Those other hon. members who wish to speak might send notice to the Chair.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I hope I can contribute to the calm which reigns sometimes in this chamber.

Mr. Hellyer: You can do that best by not speaking.

Mr. Fleming (Eglinton): What I said last week concerning the urgency of the disposal of the supplementary estimates then under discussion in committee of supply was absolutely correct, as I do not need to say. The carrying of those estimates to a decision is highly urgent. I pointed out the reasons that payments are being delayed because we have no authority to make them, payments to contractors and also payment of wages in certain cases.

Mr. Martin (Essex East): That is not what you said the other day.

Mr. Fleming (Eglinton): That was the situation. The discussion of these estimates went on an additional day, an eighth day, last Friday, and one item had been passed in that period. In the eight days 22 items have been passed.

The 14 days that were referred to by the Prime Minister were six days spent on supplementary estimates No. 2 and now eight days spent on supplementary estimates No. 3, and of the latter we have so far carried in committee of supply only 22, a minority of them, and there are still many items to be carried.

I have indicated that there will be more estimates to be brought down, the final supplementary estimates for the year. What the Prime Minister referred to as estimates requiring to be passed by the end of the month are all those supplementary estimates including those which I hope to introduce a little later.

And as for the announcement made by my colleague the leader of the house last Friday, in all fairness the house well knows that the only reason the Minister of Veterans Affairs announced on that occasion that we would be taking legislation today instead of proceeding with the supplementary estimates is that he had simply come to the conclusion that it was hopeless to expect to get any of these estimates passed, and he was hopeful, then, that with a change—

Mr. Chevrier: Mr. Speaker, I rise on a question of privilege—

Mr. Fleming (Eglinton): The hon. member interrupts me when I am seeking to contribute to good will in the chamber.

Mr. Speaker: Order.

Mr. Chevrier: Mr. Speaker, my question of privilege is this—

Mr. Speaker: Order. I am sorry, but we have not disposed of the first question of privilege yet, and I cannot entertain a second one until this is disposed of.

Mr. Fleming (Eglinton): I had nearly finished, Mr. Speaker. I hope the hon. member for Laurier realizes that I was speaking reasonably and trying to contribute to calm and good will in the house.

Mr. Benidickson: What a change.

Mr. Fleming (Eglinton): The announcement made on Friday by my colleague the leader of the house did not subtract anything whatsoever from the urgency which the government attaches to these estimates and the urgency of the plea I made to the whole house in relation to the passage of those estimates when I made that plea last Thursday. It was simply that we had come to the point where we thought it was apparent we could not get any of the estimates passed, and my colleague thought that with a change of business for today there perhaps would be some sense of order and some sense of desire reestablished to proceed with the business of the house.

This is extremely urgent business, and it is becoming more and more urgent with the passage of each day. I simply renew the appeal I made to all parties in the house last Thursday.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I think we would be more impressed by what has been said by the Minister of Finance if he had taken some cognizance of the offer made by my friend the hon. member for Laurier, which will be found on page 1900 of *Hansard* of Friday, that if the minister would indicate in detail what those urgent items were the opposition would be prepared to deal with them immediately and facilitate an appropriation bill which would meet the immediate needs of the government without restricting the rights of the opposition, and that courteous offer has not even been replied to by the government.

Mr. Speaker: We will proceed with the business of the order paper, and when we reach the item "motions", if there is anything further to be said about the business of the house we will renew the discussion then.

SUPPLEMENTARY ESTIMATES 1961-62

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1962, was presented by Hon. Donald M. Fleming (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

RAILWAY ACT

REFERENCE TO COMMITTEE OF SUBMISSION RESPECTING SECTION 182

On the order: Government notices of motion:

March 15—The Minister of Transport—The following proposed motion:—

That the standing committee on railways, canals and telegraph lines be empowered to examine and inquire into a submission which has been addressed to the chairman of the committee by the national legislative committee, International Railway Brotherhoods, concerning the provisions of section 182 of the Railway Act and suggesting changes in the said section which would provide for the payment of compensation to employees affected by line abandonments; or by the closing or removal of any station or divisional point; or by the changing of operating centres or terminal points.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*C.N.R. BUS SERVICE, FORT-WILLIAM-LONGLAC

Question No. 218—**Mr. Fisher:**

1. Have any of the officials of the Canadian National Railways been negotiating with Greyhound bus lines or any other bus lines with a view to a sale, lease, or rent of the bus service presently being carried on by the C.N.R. between Fort William and Longlac, Ontario; and, (a) if not, is the railway giving any consideration to making any efforts to sell this bus route (b) if so, at what stage in the negotiations is the principle being held to by the C.N.R. that the security and pensions of the employees on this line are protected?

2. Does the C.N.R. consider that this bus service, alone and in unison with express and other truck service, is a profitable one?

3. Who has been carrying on negotiations?

4. Does the price for such a sale, and/or the equipment, have to pass the scrutiny of both the board of transport commissioners and the cabinet?

Mr. Martini: Mr. Speaker, the Canadian National Railways advise as follows:

1. Negotiations are in progress, and should a sale of the service take place the labour agreement under which the employees operate stipulates the rights of the employees in the particular circumstances.

2. The bus service was established in the first instance in substitution for train service thereby producing a less expensive operation.

3. Officers of the department of highway services.

4. No.

*CAMPBELLTON-CROSS POINT BRIDGE

Question No. 231—**Mr. Robichaud:**

1. What was the amount estimated by the Department of Public Works for the construction of the Campbellton-Cross Point bridge, including the approaches on the Quebec and New Brunswick sides of the said bridge?

2. To whom was the contract or contracts awarded, and at what price?

3. Has the work been completed, and what amount has been paid to date to the contractor or contractors?

4. Are there any claims outstanding from suppliers or others; and, if so, (a) what are the names of the claimants, and the amount claimed by each (b) what is the name of the contractor from whom such claims are outstanding (c) has the department been informed that one of the contractors on the said bridge had registered a subsidiary company or corporation within the province of New Brunswick; and, if so, what was the name of the said company or corporation, and who were the provisional directors?

Mr. Walker: Mr. Speaker, I have the answer here, but since it is lengthy I wonder whether the hon. member and the house would be good enough to consent to having this answer printed in *Hansard* without being read.

Mr. Speaker: Is it agreed?

[Mr. Speaker.]

Some hon. Members: Agreed.

[*Editor's note: The answer referred to is as follows:*]

1. $4,339,000.

2. By federal government:

Ralph Sharpe, Campbellton, New Brunswick, $101,405.00.

Belle Construction Ltee, Isle Maligne, Quebec, $1,261,592.70.

Canadian Bridge division, Dominion Steel & Coal Corporation, Ltd., Walkerville, Ontario, $2,956,224.60.

L. D. Dimock, Campbellton, New Brunswick, $18,100.54.

By province of Quebec:

Quemont Construction Ltee, $410,602.00

Stanley C. McCallum, Gaspe, $26,735.

3. The work undertaken directly by the federal government has been completed. In agreement with the provinces of New Brunswick and Quebec, it has been decided to instal lighting, but this work has not yet been started.

Amounts paid to contractors to date are:

By federal government:

Ralph Sharpe, Campbellton, New Brunswick, $50,050.71.

Belle Construction Ltee, Isle Maligne, Quebec, $1,617,553.90.

Canadian Bridge division, Dominion Steel & Coal Corporation, Ltd., Walkerville, Ontario, $3,009,962.31.

L. D. Dimock, Campbellton, New Brunswick, $23,542.53.

By province of Quebec:

Quemont Construction Ltee, $425,520.16.

Stanley C. McCallum, Gaspe, $26,735.

4. No; there are no outstanding claims by contractors or suppliers against the department.

*SUBSIDY ON CORN IMPORTED INTO NOVA SCOTIA

Question No. 271—**Mr. Robichaud:**

Has the Nova Scotia government made a request to the federal government for a subsidy to Nova Scotia farmers to help meet the cost of corn imported from the United States; and, if so, what decision, if any, has been rendered on this request?

Mr. Charlton: Mr. Speaker, the answer is as follows. No request has been received from the Nova Scotia government for a subsidy to Nova Scotia farmers to help meet the costs of corn imported from the United States. However, requests have been made by the Nova Scotia government and by others for measures to bring down the cost of feed grains to farmers in the maritime provinces, and this matter is under consideration.

MEASLES VACCINE

Question No. 276—**Mr. Martin (Essex East):**

1. What progress has been made by the Department of National Health and Welfare in the testing of measles vaccine?

2. Has any testing actually been done by the department; and, if not, when will the testing procedures commence?

Answer by: **Mr. Monteith (Perth):**

1. The virus laboratories of the department's laboratory of hygiene have prepared standard reagents and developed procedures for testing measles vaccines.

2. As mentioned above, the virus laboratories have developed the necessary laboratory testing procedures. However no application has been made by manufacturers of measles vaccines for a licence to distribute such vaccines in Canada and no such vaccines have been submitted to the department for testing. Although preliminary field trials in the United States, Canada and elsewhere have been carried out by various scientific groups and manufacturers, no measles vaccines have been licensed by any government and no such vaccines are commercially available as yet anywhere.

MINIMUM PAY RATES, FEDERAL CONTRACTS, EDMONTON-RED DEER

Question No. 278—**Mr. Herridge:**

What are the minimum rates of pay for the following categories of workmen employed on federal government contracts at Edmonton, Calgary, and Red Deer, Alberta; and when did each minimum rate enter into effect; bricklayers, insulators, millwrights, boilermakers (tanks), boilermakers (field), boilermakers (helpers), ironworkers (erection), ironworkers (rod men), electricians, operating engineers, operating engineers (road builders), labourers, sheetmetal workers, carpenters, plumbers and steam fitters?

Answer by: **Mr. Thrasher:**

The following is a list of the minimum wage rates, with the effective date indicated in brackets, approved for construction contracts at Edmonton, Calgary and Red Deer for those classifications which correspond to the classification titles used by this department:

	Edmonton	Calgary	Red Deer
Bricklayers	$2.90 (Apr. 19/61)	$2.90 (July 3/61)	$2.60 (Aug. 1/61)
Electricians	2.95 (Apr. 1/61)	2.90 (June 12/61)	2.50 (Aug. 1/61)
Labourers	1.90 (May 10/61)	1.90 (May 1/61)	1.40 (Sept. 1/60)
Sheet metal workers	2.85 (Oct. 1/60)	2.75 (Oct. 1/61)	2.55 (May 1/61)
Carpenters	2.65 (June 29/61)	2.65 (July 6/61)	2.35 (Sept. 15/61)
Plumbers and steamfitters	2.80 (Oct. 1/60)	2.75 (Apr. 1/61)	2.55 (May 1/61)

No rates have been established for millwrights, boilermakers (tank), boilermakers' helpers or operating engineers (road builders).

The other classifications in question are not designated in the same terms in Department of Labour records. The most closely comparable classifications and relevant information therefor are as follows:

	Edmonton	Calgary	Red Deer
Insulation mechanics	$2.30 (July 1/60)	$2.60 (Apr. 1/61)	$2.60 (Apr. 1/61)
Boilermakers on construction or erection	3.05 (Jan. 1/62)	3.05 (Jan. 1/62)	3.05 (Jan. 1/62)
Structural steel workers	2.83 (July 5/60)	2.83 (July 5/60)	2.83 (July 5/60)
Rodmen (reinforcing)	2.30 (June 12/61)	2.35 (July 1/61)	2.30 (Oct. 1/61)
Operators (draglines, cranes, shovels, etc.)	2.40 (Apr. 1/60)	2.40 (Apr. 1/60)	2.40 (Apr. 1/61)

D.E.W. LINE EMPLOYMENT OPPORTUNITIES

Question No. 280—**Mr. Herridge:**

Are job opportunities available to Canadians on the D.E.W. line; and, if so, do officers of the unemployment insurance commission give information on these job opportunities to applicants on request, and accept applications for them?

Answer by: **Mr. Thrasher:**

Concerning recruitment of workers for D.E.W. line sites, job opportunities on these operations are available to Canadians and recruitment of workers is done through the facilities of N.E.S. local offices.

In this respect, however, vacancies are not distributed to all offices when it is known that applicants are available in certain areas. The availability of these applicants is determined from N.E.S. records and from results of previous recruitment.

In regard to vacancies which are in short supply, these are made known to all N.E.S. local offices, and information in respect to

these opportunities is made available to applicants registered in these occupations and to others inquiring about employment prospects on D.E.W. line operations.

*USE OF MAILS FOR LOTTERIES AND POOLS

Question No. 283—**Mr. Fisher:**

1. Is the Post Office Department continuing its campaign to stamp out the use of the post for lottery and pool purposes?
2. If so, to what effect in 1961 in terms of investigations, refusals of mailing privileges, etc.?
3. Has the department noted that the Toronto evening papers print British football pool results and that one of them prints a "tip sheet" or forecast of probable winners?
4. If so, has the department any indication whether this newspaper service is for Canadians who play the British football pools through the mail?
5. Has the department any estimate of the amount of mail from Canada which gets through to Liverpool from Canadians playing the football pools?

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, the answers to the five parts of this question are as follows:

1. Since, under the provisions of the Criminal Code of Canada, the operation of lotteries or sport pools is illegal, the Post Office Department has no alternative but to take all possible steps with a view to preventing the use of the Canadian mails in any way, in connection with such illegal activities. The department is therefore continuing the same practices in this regard it has followed for an extended period.

2. During the calendar year 1961, letters warning of the prohibited use of the Canadian mails for lottery and sport pool purposes, were sent to 682 Canadian residents. During the same period, mailing facilities were withdrawn from 87 Canadian residents as a result of their having used the mails for lottery or sport pool purposes after having been warned of the prohibited use of the mails for such purposes. Seventy one of these prohibitory orders were subsequently cancelled during the calendar year 1961. During the same year, Canadian mailing facilities were also withdrawn from 1652 persons or firms in foreign countries who were found to be using the mails for lottery or sport pool purposes.

3, 4, and 5. No.

MEDICAL RESEARCH COUNCIL—DISBURSEMENTS AND REQUESTS

Question No. 284—**Mr. Martin (Essex East):**

1. What is the total amount of money dispensed by the medical research council since its inception?
2. What is the total amount of money requested by universities, individual researchers, and all other applicants from the medical research council since its inception?

Answer by: **Mr. Churchill:**

The medical research council was established on November 14, 1960. For the balance of the fiscal year 1960-61, the council assumed responsibility for discharging the financial commitments of the national research council's division of medical research which had been disbanded. In 1960-61, expenditure for medical research was $2,308,352.

During the fiscal year 1961-62, applications to the medical research council for research grants in various categories, personnel support in the form of postdoctorate fellowships and associateships, and special activities, totalled $4,600,390. Expenditures for the same period have been $3,300,000, the total amount available for the program.

Applications received to date for 1962-63 total $5,552,180. In anticipation of a budgetary allotment of $4,300,000 for the coming fiscal year, the medical research council, at recent meetings, has already given approval in principle to expenditures totalling $4,065,965. Further grants will be considered at meetings of the council in June and November, 1962.

*NATIONAL PRODUCTIVITY COUNCIL—LABOUR REPRESENTATION

Question No. 285—**Mr. Martin (Essex East):**

1. Has the Prime Minister received representations or complaints from George Burt, Canadian director of the United Auto Workers, to the effect that no representatives of the heavy industry unions were invited to attend the Kingston meeting of the national productivity council?
2. Did the Prime Minister receive complaints or representations from Murray Cotterill, public relations director of the United Steelworkers of America, to the effect that no representatives of the steelworkers union were invited to attend the Kingston meeting of the national productivity council?
3. Did the Prime Minister seek the assistance of the Canadian labour congress in selecting representatives of organized labour to attend the Kingston meeting of the national productivity council; and, if not, on what basis were the selections made?

Mr. Diefenbaker: The answers are as follows:

1. I am informed that a search of the files has failed to produce such representations or those asked for in part 2.

3. The Kingston meeting of labour and management representatives to discuss labour-management co-operation and other aspects of productivity was sponsored by the national productivity council. The senior representatives of both management and organized labour asked to attend the meeting were chosen solely by the council and invitations were sent to a broad selection of both sides of industry. I am informed that in choosing the representatives of organized labour to be invited to attend the Kingston meeting, officials of the Canadian Labour Congress were consulted fully.

CONSUMER INDEBTEDNESS

Question No. 286—**Mr. Matheson:**

As of the last available date, what is: (a) the total consumer indebtedness of Canadians (b) the comparable figure in each of the last ten years (c) the annual rate change in consumer debt?

Answer by: **Mr. Fleming (Eglinton):**

Questions

(a) As of December 31, 1961, finance company and retail dealer credit extended to consumers totalled $2,349 million. Chartered bank unsecured personal loans totalled $1,030 million. The total of these items was $3,379 million.

(b) Comparable figures in each of the last ten years are as follows (in $ million):

Year ending December 31	Finance co. and retail dealer credit extended to consumers	Chartered bank unsecured personal loans*	Total of these items
1952	1,073	242	1,315
1953	1,316	308	1,624
1954	1,392	352	1,744
1955	1,629	441	2,070
1956	1,910	435	2,345
1957	1,968	421	2,388
1958	2,030	553	2,583
1959	2,205	719	2,924
1960	2,337	857	3,194
1961	2,349	1,030	3,379

*Source: Bank of Canada.

(c) The annual rate of change in the totals of the above items was 10.5 per cent.

MORTGAGE INDEBTEDNESS

Question No. 287—**Mr. Matheson:**

What is the total mortgage indebtedness of the Canadian home owner as of the latest available date?

Answer by: **Mr. Walker:**

This figure is not available but it is estimated at the end of 1959 total mortgage indebtedness, including mortgage debt on non-residential property, on rental dwellings and on owner-occupied dwellings, amounted to $10.4 billion. Of this amount approximately one half is attributed to home ownership.

*JAMES COYNE—PENSION PAYMENTS

Question No. 288—**Mr. Fisher:**

Has Mr. James Coyne, a former governor of the Bank of Canada received any moneys, either on a regular basis or lump sum, from the contributory pension plan of the Bank of Canada; and, if so, how much and on what dates?

Mr. Fleming (Eglinton): This answer I give on information from the Bank of Canada.

The Bank of Canada pension fund is a separate and distinct fund made up of past contributions by the staff and the bank, plus accrued earnings thereon. It is not the practice to disclose information regarding the details of payments made to individual retired employees out of the fund.

Mr. Hellyer: Since when?

Mr. Fleming (Eglinton): I am told always.

*BANK OF CANADA PENSION BY-LAW

Question No. 289—**Mr. Fisher:**

1. What further consideration has been given by the board of directors of the Bank of Canada regarding rule No. 17 of the bank's pension by-law which was suspended pending further consideration? (See *Hansard*, page 8979, Sept. 27, 1961).

2. Has any action been taken recently which would affect the pension position of Mr. James Coyne, a former governor?

Mr. Fleming (Eglinton): The answer is as follows:

1. Not a matter of public record.

2. No.

*EXTERNAL AFFAIRS—SMUGGLING BY MEMBERS OF COMMISSIONS

Question No. 291—**Mr. Herridge:**

1. Have any members of the Department of External Affairs engaged in smuggling while in Indo-China; and, if so, (a) what action has been taken against them (b) were they protected by diplomatic immunity while in Indo-China?

2. Whether or not they were formerly protected by diplomatic immunity, has consideration been given to returning these men to Indo-China so that they may be prosecuted in accordance with the laws of the country or countries concerned (Viet Nam, Laos, or Cambodia)?

Mr. Diefenbaker: The answer is as follows:

1.(a) Immediately upon receipt of information about improper activities on the part of certain members of the international

supervisory commission staff, an investigation was instituted and the individuals concerned were brought back to Canada to be questioned by the appropriate authorities. Written confessions were obtained from them and they were suspended from the Department of External Affairs, pending final investigations and dismissal. Under Canadian law dismissal is the extent of the punishment which can be given in the case of these two men.

The Department of Justice and the Department of External Affairs have been considering the extension of extraterritorial jurisdiction over Canadian government employees abroad. Last summer the commission on uniformity of legislation, consisting of the assistant deputy attorneys general or senior solicitors of the provinces examined this proposal, and detailed legislation is now being prepared to amend the Criminal Code in this respect.

(b) There was no question of diplomatic immunity involved in the case of any of the Canadians, civilian or military, who were alleged to have been engaged in smuggling. These activities were discovered by the Canadian authorities and dealt with by them as expeditiously as possible. All those concerned were returned to Canada where a full scale investigation into the allegations made against them could be carried out.

The local authorities made no representations to the Canadian authorities concerning these allegations and therefore the question of their liability under the laws of another country has never been raised.

2. Answered by answer to 1(b).

SABLE ISLAND EAST BEACON LIGHT

Question No. 293—**Mr. Morris:**

1. Has an automatic daylight-controlled acetylene valve been installed for operation of the unattended acetylene beacon light at Sable island east lighthouse?
2. Does the valve extinguish the light during daylight hours?
3. Does it reignite each evening?
4. Is there an additional valve and control to monitor the main light at night?
5. Does failure of the main light cause the second valve to ignite an emergency light; and, if so, at what interval?
6. How many failures have occurred in the system since it commenced operation, and to what was failure due?

Answer by: **Mr. Martini:**

1. Yes.
2. Yes.
3. Yes.
4. Yes.
5. Yes; 2¼ minutes.
6. There was one failure of the east light because the department's supply vessel was delayed in reaching Sable island and replenishment of gas was thereby delayed. In this interval the stand-by acetylene light came into operation automatically.

HOUSING LOANS FOR FALL-OUT SHELTERS

Question No. 294—**Mr. Pitman:**

1. What has been the breakdown by provinces of successful applications under provisions for National Housing Act loans for new houses for allowances for fall-out shelters to January 31, 1962?
2. What has been the breakdown by provinces of loans for the construction of fall-out shelters under the home improvement loan provision of the National Housing Act?
3. How many of these successful applications have come from the Ottawa area?

Answer by: **Mr. Walker:**

1. Number of N.H.A. loans, for new houses, which included allowances for fall-out shelters, to January 31, 1962.

Newfoundland	1
Prince Edward Island	nil
Nova Scotia	nil
New Brunswick	1
Quebec	30
Ontario	13
Manitoba	2
Saskatchewan	1
Alberta	11
British Columbia	3
Canada	62

2. Number of N.H.A. home improvement loans for fall-out shelters, to January 31, 1962.

Newfoundland	nil
Prince Edward Island	nil
Nova Scotia	nil
New Brunswick	4
Quebec	17
Ontario	27
Manitoba	2
Saskatchewan	10
Alberta	18
British Columbia	16
Canada	94

3. Number of fall-out shelters in the Ottawa area included in items 1 and 2 above—5.

*BANK OF CANADA PENSION FUND

Question No. 298—**Mr. Fisher:**

1. What authority has the Minister of Finance or any other minister in the supervision of the pension fund of the Bank of Canada?
2. Has this authority been questioned in any way or been the subject of any discussion on the part of the government and/or the directors of the Bank of Canada; and, if so, to what effect?

Mr. Fleming (Eglinton): The answer is as follows:

1. None.
2. Answered by 1.

[*Later:*]

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I wish to put a question to the Minister of Finance arising out of the answers given to starred questions 289 and 298. I am not certain whether I should put a question or raise a matter of privilege. These starred questions were placed on the order paper to bring up to date information given last year by the Minister of Finance. Instead of raising a question of privilege, Mr. Speaker, I wonder whether you would permit me to ask him a question. What distinction does he make between the information that he gave last year on the pension by-law and on the supervision of the pension fund and his answer today, in which he gave no information?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, in the case of the one question I was asked to give an answer concerning payments made to a particular retired employee of the bank. That was the question as I understood it. I referred the matter to the bank for information and I gave an answer on information received. The bank has never followed the policy of disclosing payments made to retired employees.

The hon. member will recall that last summer we were dealing with a particular pension by-law. If he is referring to question 289 concerning the by-law, I may say that again I have given the answer with which I was furnished. The hon. member may know that I had some information on that subject which I gave to the public last summer, to the effect that the board of governors of the bank at its meeting on July 22, 1961 decided to seek a legal opinion on the validity of the bank's pension by-law and in particular rule 17 of that by-law. On the same day the board adopted a resolution suspending rule 17 of the by-law pending further consideration by the board, and it is my information that that continues to be the position.

*DOMINION-PROVINCIAL AGREEMENT RESPECTING HOSPITAL CONSTRUCTION

Question No. 302—**Mr. Racine:**

Under the agreement entered into by the Department of National Health and Welfare and the provinces, does the power of initiative, with respect to the building of hospitals, as well as to the choice of sites therefor, rest with the federal department or with the provinces?

Mr. Monteith (Perth): Federal financial assistance toward building of hospitals is provided under the hospital construction grant, which is one of the national health grants made available to the provinces.

Questions

The federal government does not take the initiative in connection with the choice of sites, as hospital planning in general comes within the area of provincial responsibility. Although the initial request for a new hospital usually comes from the local community concerned, the provinces generally seek to relate such requests to over-all needs.

*FEDERAL BUILDING, EAST BEAUCEVILLE

Question No. 303—**Mr. Racine:**

Has the Department of Public Works acquired a parcel of land in East Beauceville for the construction of a federal building; and, if so, what was the amount of the transaction, with whom was the transaction made, and on what date?

Mr. Walker: The answer is as follows:

1. Yes.
2. $16,000.
3. Lorenzo Mathieu.
4. Deed dated September 26, 1961.

*DOMINION-PROVINCIAL AGREEMENT RESPECTING VOCATIONAL SCHOOL CONSTRUCTION

Question No. 306—**Mr. Racine:**

Under the agreement entered into with the provinces concerning technical and vocational training, does the power of initiative, with respect to the building of schools, as well as to the choice of sites therefor, rest with the federal government or with the provincial governments?

Mr. Thrasher: Under the technical and vocational training agreements entered into with the provinces, the power of initiative with respect to the building of schools, as well as to the choice of sites, rests with the provincial governments.

MOTION PICTURE PRODUCTION, NATIONAL FILM BOARD

Question No. 307—**Mr. Hellyer:**

1. How many original motion pictures have been produced, by or for, the national film board in each of the last five years?
2. How many original motion pictures have been produced for the national film board by private Canadian producers in each of the last five years?
3. How many original filmstrips have been produced, by or for, the national film board in each of the last five years?
4. How many original filmstrips have been produced for the national film board by private Canadian producers in each of the last five years?

Answer by: **Mrs. Fairclough:**

1.	1960-61	84
	1959-60	96
	1958-59	105
	1957-58	129
	1956-57	99
2.	1960-61	1
	1959-60	1
	1958-59	1
	1957-58	0
	1956-67	7

Orders for Returns

3.	1960-61	38
	1959-60	36
	1958-59	42
	1957-58	43
	1956-57	44

4. None.

*CL-41 JET TRAINER—DESIGN DELAYS

Question No. 308—**Mr. Herridge:**

1. Has any communication been received from aircraft lodge 712 of the international association of machinists, Montreal, protesting design delays by the R.C.A.F. which prevent the production of the jet trainer CL-41?

2. If so, are there design delays and what is their cause; when is it expected that the CL-41 will go into production; and what answer has been made to aircraft lodge 712?

Mr. O'Hurley:

1. I received a delegation from this union on March 14, during the afternoon.

2. There are no design delays in this program. As for the last part of the question, I cannot say definitely one way or the other when this program will go ahead, as there is still approval to be obtained.

QUESTIONS PASSED AS ORDERS FOR RETURNS

LETTER FROM MARITIME RETIRED CIVIL SERVANTS

Question No. 292—**Mr. Fisher:**

Has the government recently received a request from Mr. A. R. Buckler, 90 Park street, Kentville, N.S., as president of the maritime retired federal civil service association, seeking an adjustment in pensions to better meet the present cost of living; and, if so, what was the date of the request, the name of the minister who replied to it, and the substance of the reply?

MILITARY TRAINING EXPENDITURES IN MONTREAL CATHOLIC SCHOOLS

Question No. 309—**Mr. Dupuis:**

1. What amounts has the Department of National Defence paid during 1959, 1960, and 1961 for the military training of cadets and students (militia) attending the schools of the Catholic school board of Montreal?

2. What are the names of the officers (with addresses) being paid in each of these schools, and the amounts paid to each of them in each of the said years?

3. What amount has been paid to each of the following schools for the maintenance of uniforms, rifles, equipment, etc.:

(1) Chomedey de Maisonneuve, 1820 Morgan st., Montreal;

(2) Jean-Baptiste Meilleur, 2237 Fullum st., Montreal;

(3) Urgel Archambault, 8300 De Teck, Montreal;

(4) Philippe-Perrier, 5925—27th avenue, Rosemont, Montreal;

(5) Pie IX, 10919 Gariepy st., North Montreal;

(6) Mgr. Georges Gauthier, 750 East Gouin blvd., Montreal;

(7) St. Viateur, 7315 DeLanaudiere st., Montreal;

(8) Christophe-Colomb, 6891 Christophe-Colomb st., Montreal;

[Mrs. Fairclough.]

(9) Le Plateau, 3700 Calixa Lavallee st., Montreal;

(10) Louis Hebert, 6361—6th avenue, Rosemont, Montreal;

(11) St. Henri, 4105 St. James st., Montreal;

(12) St. Luc, 5100 St. Luc, Montreal;

(13) Simon Sanguinet, 1260 Sanguinet st., Montreal;

(14) Louis Pasteur, 1995 Victor Dore st., Montreal?

4. What amount has been paid to the officials of each of the said schools?

BUSINESS OF THE HOUSE

INQUIRY AS TO CONSIDERATION OF SUPPLEMENTARY ESTIMATES

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the house leader and ask what conclusion the minister came to with respect to the proposal which was made on behalf of the opposition at five o'clock on Friday evening, and which the minister undertook to consider over the week end?

Hon. Gordon Churchill (Minister of Veterans Affairs): The proposal made by the hon. member for Laurier was examined. The decision was reached to go ahead with the supplementary estimates in the order in which they stand in the book.

Mr. Chevrier: Having regard to the change of business as indicated by the minister's office to me this morning, namely a change to supplementary estimates from legislation which was announced on Friday, and which was to have been gone on with today, may I ask the house leader what made him change his mind with reference to the order of business?

Mr. Churchill: I agreed to consider over the week end the proposition which was put forward by the hon. member for Laurier at five minutes to five o'clock on Friday. He might have communicated with me earlier in the day with regard to the matter, but he threw it into the house then and issued an ultimatum to the effect that he had to have a decision by six o'clock. This ultimatum I refused to accept. Over the week end we decided to go ahead with the supplementary estimates as we are now doing.

Mr. Chevrier: I would appreciate it if the minister would answer my question.

POWER

COLUMBIA RIVER AND NATIONAL GRID—MEETING WITH B.C. PREMIER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Finance on a matter that is

of national significance and is causing national curiosity. Has the minister met with the premier of British Columbia with respect to the Columbia river or the national grid, and has he anything to report to the house at this stage?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I am glad to inform the house that I had a meeting with Premier Bennett over the week end in order to discuss the Columbia river development. We had a two hour meeting. I think it was a very good meeting. It was a very friendly meeting.

Mr. Benidickson: That is a change.

Mr. Fleming (Eglinton): I am not one of the federal ministers attending the dominion-provincial conference to discuss a national power grid in Canada. Premier Bennett is attending that meeting. I had the pleasure of meeting with all the delegates to that conference at noon today and had the pleasure of sitting beside Premier Bennett at luncheon. We hope to have a further discussion on this subject before Premier Bennett leaves this evening for Victoria.

Hon. Paul Martin (Essex East): I should like to ask a supplementary question. From this are we to conclude that the Minister of Finance takes the view now that the premier of British Columbia has not bypassed the Minister of Finance and the Minister of Justice, and that he does not prefer his pen pal the Prime Minister?

Mr. Fleming (Eglinton): If it comes to the matter of drawing conclusions, Mr. Speaker, I would think it is obvious that the conclusion to be drawn is that the hon. member for Essex East is just about as hopelessly wrong as usual.

CORRESPONDENCE WITH PROVINCES RESPECTING NATIONAL GRID

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Prime Minister whether there is any correspondence with the provincial governments regarding the electric grid conference which started today which has not been tabled, and if there is could the Prime Minister make it available to hon. members tomorrow?

Right Hon. J. G. Diefenbaker (Prime Minister): I cannot give the hon. gentleman an answer off the cuff, but I will have the matter looked into and if there are any such letters they will be made available tomorrow.

Inquiries of the Ministry

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM—REQUEST FOR TRAINING OF TROOPS IN KOOTENAY DISTRICT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Has he received any further representations from the attorney general of British Columbia with respect to the transfer of troops for a particular purpose?

Hon. D. S. Harkness (Minister of National Defence): No, Mr. Speaker.

FINANCE

POLICY RESPECTING CANADIAN BORROWING IN U.S.

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I should like to address a question to the Minister of Finance. First, on the basis of many press reports, including last week's lead article in the *Financial Post,* would the minister inform the house whether the governor of the Bank of Canada visited Toronto about ten days ago and with some design asked a number of prominent financial persons to meet him? Second, does the minister still deny, as he did when I asked him a question on March 12, that there has been any meaningful change in policy respecting the desirability of Canadian borrowings in the United States of America, since his sermons on this subject in budget speech advice on June 20, 1961 and in December of 1960?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, assuming that you regard this lengthy question as one that is proper on the orders of the day, let me begin by taking up the remark of the hon. member about sermons. I was not aware that I had been preaching any sermons on this subject but believe me, Mr. Speaker, if the time ever comes when I take to preaching sermons there is nobody who could better absorb them than the hon. member for Kenora-Rainy River.

The answer I gave the hon. member on the occasion to which he has referred is quite correct. There has been no change in policy. After Mr. Rasminsky had taken over his duties last summer as governor of the bank he met with representatives of a number of leading investment houses in Canada and proposed to them that for the time being it would be desirable that they should not undertake financing in the United States market, with the opportunities that existed in Canada for that purpose. It was expected that this would

be for a temporary period and, in the view of the governor, that period has now been concluded. All he did was to inform the financial houses that he would no longer ask them, as I am informed, to refrain from doing financing in the United States market if they thought it proper to do so, but he has not suggested to them that they should do so. He has not asked them to do so. He has not suggested that financing facilities or sources in Canada are not adequate. It is a matter for judgment on the part of these institutions. The request made last summer was for a period, and the view is that in all reasonableness that period has been long enough now.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the minister a supplementary question. Does this mean that the minister now feels there is no reason why the provinces should not go to New York for their borrowings if they wish to?

Mr. Fleming (Eglinton): The position there is unchanged. The provinces are at liberty to go to New York if they choose to do so. Having regard to what I have said in certain budget speeches, I hope they will not overlook the warnings that were given there against the possible consequences of doing extensive borrowing outside Canada in a currency other than Canadian currency. It is a matter for decision on their part, but the warnings that were given continue.

PUBLIC BUILDINGS

LYNDHURST, ONT.—REQUEST FOR NEW POST OFFICE

On the orders of the day:

Mr. John R. Matheson (Leeds): Mr. Speaker, I should like to direct a question to the Postmaster General. Would the Postmaster General give consideration to the approval of a new post office at Lyndhurst to replace the one recently burned there.

Hon. W. M. Hamilton (Postmaster General): That question, as the hon. member may know, would be more properly directed to the Minister of Public Works, who constructs post offices, and it should be put on the order paper in any event.

[*Later:*]

Mr. Matheson: Mr. Speaker, I should like to direct a question to the Minister of Public Works. Will the minister give consideration to the construction of a post office for Lyndhurst?

Hon. D. J. Walker (Minister of Public Works): Will you write me a letter, please?

[Mr. Fleming (Eglinton).]

SUPPLY

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

DEPARTMENT OF LABOUR

Unemployment insurance commission—

669. To authorize the Minister of Finance, notwithstanding the Unemployment Insurance Act, to credit to the unemployment insurance fund in the fiscal year 1962-63 sums not exceeding in the aggregate $25 million on such terms and conditions as the governor in council determines, $25,000,000.

Mr. Chevrier: Mr. Chairman, I should like to ask the minister or his parliamentary assistant a question or two in connection with this item. First, what was the position of the fund at the end of February? As found at the bottom of the second column on page 1886 of *Hansard* for March 16, 1962, I note that the minister stated that at the end of January the balance in the fund was $135,877,305. What was the position at the end of February?

Mr. Thrasher: I will get that information for the hon. member.

Mr. Chevrier: While the officials of the department are coming down, perhaps I could put another question I have in mind. Why is this an item in the supplementaries for the current fiscal year when this advance to the fund will be made, if required, only in the fiscal year 1962-63? Why not have this amount in the 1962-63 estimates? The other question which arises is this. Is this a device to reduce the anticipated budget for the fiscal year 1962-63? I wonder if the parliamentary secretary to the minister would be good enough to give me a reply to these two additional questions.

Mr. Thrasher: In bringing this item forward at this time I believe the minister felt we should have the money available in case some unforeseen circumstance should arise.

Mr. Chevrier: Is that why it is in these estimates rather than in the main estimates; because it will not be required until the estimates for 1962-63, will it?

Mr. Thrasher: It is not likely that it will be required, if it is going to be required at all, until that time. I believe the idea was to bring the item forward as soon as possible so the money would be available in the event of an emergency.

The Chairman: Shall the vote carry?

Mr. Chevrier: There is still an answer to come to my question, and I take it I will be getting that in due course.

Mr. Martin (Essex East): I was not here on Friday because of preoccupation with constituency matters at home. I did not have an opportunity, therefore, to say something on this item which, as the house knows, has greatly interested me over the years. I have had an opportunity to read what was said in this debate. It is not necessary to traverse in detail the observations that have been made as to the reasons for the fund being in the perilous state in which we now find it, and as indicated by the fact that, the Minister of Finance proposes to extend credit to the fund in the amount of $25 million.

The parliamentary secretary has just observed that it may not be necessary to use even this amount of money. This surprises me because the fund now is down to the proportions that had been anticipated by the unemployment insurance advisory committee in its report tabled on March 3, 1961. I am going to suggest to the parliamentary secretary that he is unduly optimistic. I suggest to him that this amount of $25 million is not going to be sufficient, and that the unemployment insurance commission itself takes the view that the amount which the Minister of Finance proposes to extend is not sufficient.

When the parliamentary secretary has an opportunity to check this question I should like to know if it is not a fact that the unemployment insurance commission has asked for a much larger amount than $25 million. Undoubtedly what the unemployment insurance commission had in mind was the observation made in the report of the advisory committee for the year ending March 31, 1961. In the third paragraph on page 3 of that report we find this observation:

> The committee recommends, however, that the government guarantee the solvency of the fund until such time as amendments are made, and given effect to for restoring it to a sound basis, and that whatever sums are required for this purpose be provided for by way of grants. The urgency for such action is made apparent from statements made in paragraphs numbered 26 and 27 of the report of the assistant superintendent of insurance and the senior actuary.

I have not got the report of the assistant superintendent, but I understand that the assistant superintendent of insurance, and this was confirmed by the senior actuary, did point out to the unemployment insurance commission what the situation would likely be between the end of March, 1962 and the end of June of this year. I should like to know from the parliamentary secretary, at some point before this item passes, whether it is a fact the unemployment insurance commission itself has asked for a much larger amount than the $25 million which is being requested in this item.

I also wish to make the observation that I believe it is rather significant that the item before us is being piloted in the first instance by the Minister of Labour and now by his parliamentary secretary. I do not quarrel, of course, with the parliamentary secretary assuming that role. However, in other years has this item not been regarded as a financial item? Certainly when questions were put in this house to the Minister of Labour which had to do with the financing of the fund we were always referred by the Minister of Labour to the Minister of Finance. A perusal of our discussions on this item over four years confirms what I have said.

Now, what are we doing here? We are attempting, by way of a supplementary item, to bolster up a fund which at one time stood at almost $1 billion, a fund which is contributed to by the employers and workers of Canada and supported to a lesser extent by contributions made by the general taxpayers through the federal government. We are not doing this by way of a bill to amend the Unemployment Insurance Act; we are doing this by way of an item in the supplementary estimates.

I do not rise to repeat the criticisms made by hon. gentlemen opposite with regard to this procedure. I do rise to point out how serious the situation is when a fund of almost $1 billion in 1957 has been reduced to the extent that it is now a little less than $100 million, and at one time was almost $50 million; and the Minister of Finance now finds it necessary to extend credit to that fund in the amount of $25 million.

I am informed by a reliable source, not a source in the government, that the unemployment insurance commission has asked for a much larger amount from the Minister of Finance. These potential beneficiaries of the fund, those who are contributors to the fund, have a right to know that this fund will always be in a liquid state. Let it not be forgotten that the fund was of the proportion of $1 billion because the money had been contributed not by the government of Canada but by two segments of Canadian taxpayers. We could find ourselves in a situation, particularly in the event of a general election, even more perilous than the one which we now face.

The manner in which the minister has dealt with this item does not explain why the fund is in a perilous situation. The minister has not denied that the fund has been reduced from $950 million to its present proportions because of the high case load of unemployed people in this country who, in the exercise of their contractual rights, have derived means of sustenance

from the fund, thereby attesting, if anything by way of attesting was required, to the severe level of unemployment. Someone again says "gloom," but I say if there is anything which represents justification that we on this side have for complaining about the government's failure to cope with unemployment it is the fact that this fund, which stood at almost $1 billion when the government took office, has now been reduced to under $100 million, a year ago stood at about $50 million and, in the words of the advisory committee of the unemployment insurance commission, will continue to stand in a perilous state until the end of June of this year.

Why has this loss taken place? I have said it was because of unemployment, but it was also due to the bad investment policies of the investment committee arising out of the fiscal policies of the government, particularly the bond conversion scheme which imposed losses on the unemployment insurance fund due to the decision of both the investment committee and the Minister of Finance to compel the commission to invest its portfolio in the new bonds that were the product of the bond conversion scheme. It was also due to the denial by the Minister of Finance to the unemployment insurance commission of the opportunity to sell its securities in the open market at a time when those bonds would have been guaranteed par value because of government policy at that time.

When we are discussing this item introduced by the Minister of Finance to transfer $25 million to the unemployment insurance fund, we must not forget that this fund would be in an even more serious state had it not been that this government—I contend improperly—two years ago got $78 million from the workers and the employers by way of added contributions, imposed on the then existing rate of contributions. We complained about this at that time. The rate of contribution was increased from 25 to 55 per cent. There was no compensation given by way of an increase in the pattern of benefits to any segment of those who were potential beneficiaries under the fund. As I say, the fund would be in a more perilous state than it is now had it not been for contributions—not made by the government of Canada and not loans made by the government of Canada—but contributions improperly and unfairly imposed on Canadian workers and employers.

We all remember this. I say it was a misuse by this government of the trust fund in permitting that situation to arise. There was no obligation on the part of the workers and employers to bolster the fund under those conditions. That was a responsibility placed on them by the government of Canada—

Mr. Benidickson: And by pressure from the Minister of Finance.

Mr. Martin (Essex East): —and by pressure from the Minister of Finance, as we know very well from his own admissions in this house. In other words, the workers and the employers were saddled with the responsibility of doing something that the government of Canada should have assumed. The government will not resort to this procedure to meet the present situation because of complaints made by the manufacturers association, the chamber of commerce, the labour congress and other bodies throughout the country, who agree that the policy of the government in that regard was unfair.

The government is dealing with this situation in a piecemeal way. We are not being asked to deal comprehensively with unemployment insurance. I would point out that the unemployment insurance advisory committee said, at page 3 of its report for March 31 last:

> The speech from the throne delivered at the opening of the most recent session of parliament on November 17, 1960, included an announcement of the intention of the government to place before parliament for approval, amendments to the Unemployment Insurance Act to safeguard the basic purpose of the act, to strengthen the fund and to correct abuses which have developed in practice.

We all looked forward then to the legislation that we were going to have placed before us, which would have dealt with the fund and with other substantial matters having to do with the administration of unemployment insurance. But what do we have? Instead of an act of parliament, as we were told and as Her Majesty's representative was caused to utter at the opening of parliament in 1960, we have had appointed by this government, when parliament was not in a position to question it, a royal commission to examine into the whole question of unemployment insurance. That commission is now engaged in hearing representations from various bodies. I simply want to say that again was another example of the way this government holds parliament in contempt.

An hon. Member: Nonsense.

Mr. Martin (Essex East): Someone said "Nonsense". The leader of the house said "Nonsense", behind the curtain, but the fact is that as leader of the house he should confirm what I am saying. It was only after parliament had adjourned that the government displayed the courage to indicate the

device it proposed to employ in trying to ascertain what should be done about the Unemployment Insurance Act.

That is the situation. I think we must now remind the government of the composition of that royal commission. I have no quarrel with the competence of the persons who are on that commission, but I join with the labour congress in complaining about the failure to have as a member of that commission someone who represents labour opinion and the labour point of view. After all, this is a royal commission designed to study an act to which the employers as well as the workers contribute. It seems to me it is desirable that the representatives of the trade unions and the representatives of the workers of this country should have someone on it.

Let it not be said that such a person would be a prejudiced party. We did not hesitate, and I think properly so, to appoint members of the medical profession on the royal commission examining into the proposal of medical care insurance. There are employers represented on the royal commission examining the Unemployment Insurance Act, but how this government can hope to justify the kind of remarks made by the Minister of Labour to the labour congress the other day about the way this government consults with labour on matters of interest to it, in the light of its refusal to have a representative of labour on this commission, is beyond me.

Here is what the labour congress said in this regard at page 44 of the brief presented to the government on March 14 last:

> Any illusions we still had concerning appropriate appointments were dispelled when you appointed the committee of inquiry into the Unemployment Insurance Act. Here is an act which by its very nature is of direct and immediate concern to over 4 million Canadian wage and salary earners. They and their employers contribute directly to the fund established under the Unemployment Insurance Act. The administration of the act is through a tripartite commission, including a commissioner representative of the employee interest. The act further prescribes the appointment of an unemployment insurance advisory committee, a national employment committee and regional and local employment committees on which organized labour is represented. Presumably here if anywhere organized labour should have been represented on the committee of inquiry. Yet there is not a single member of that committee, however qualified in every other respect, who can claim to represent the employee interest. This act of omission on your part drove home to us better than anything else the fact that the opinions of the Canadian Labour Congress and of organized labour in general are of little or no significance to you—

"You" meaning the government, of course:

> —in the determination of your policies. When we ventured to complain that there was no representative of organized labour on the committee of inquiry we were told in very peremptory language that there was no need for one and that to have included such a representative would have injected a sectional interest into the work of the committee. Presumably there is no sectional interest involved when the medical, dental and nursing professions are represented on the royal commission on health services. We cannot help but conclude that the failure to consult the congress for nominees to various commissions, boards and agencies and the appointments made without consultation (such as certain appointments to the national productivity council) indicate a deliberate policy of bypassing the congress wherever possible.

I am not rising here to defend the congress, but the congress of labour is the largest gathering of trade unionists in this country. It seems to me that the submission they have made about the failure of the government to include labour representation on the royal commission is sound. I hope that the government in whatever reply it seeks to give to this point will not say that the reason labour was not represented was that it did not want to have parties with an occupational interest represented on the commission. If that argument is made it will not stand water, because that very course was followed in some of the other appointments to the commission. The employer groups are represented certainly by some of the members of the commission, all of them able, good Canadians. Certainly the government has not hesitated to recognize occupational interest in the appointment of the royal commission on health services.

Mr. Chairman, there are two other points I would like to make based upon observations in the report of the advisory committee for the year ending March 31, 1961. I have asked the parliamentary secretary to tell us whether or not it is the case that the unemployment insurance commission feel that $25 million is not adequate and that it has asked for a much larger amount. If this is the case, why has the government not acceded to the request of the commission? That may be a question that can only be answered by the Minister of Finance, but he is not piloting this legislation. He has done it in other years, but for some reason or another what is a financial matter is now being turned over to the Department of Labour, unlike the practice in other years.

Mr. Pickersgill: Apparently the Department of National Defence, if we look to the treasury benches.

Mr. Martin (Essex East): I was looking at something a little more agreeable, and that was the parliamentary secretary to the Minister of Labour.

Mr. Benidickson: Only one cabinet minister is here; a good one, of course.

Mr. Chevrier: That is debatable.

Mr. Martin (Essex East): The Minister of Finance, in his budget statement to this house

on June 20, 1961 announced, it will be remembered, that the entire portfolio of the unemployment insurance fund would in due course be taken over by the treasury at book values, and in exchange the fund would acquire interest bearing but non-marketable bonds which might be redeemed by the government as required on 30 days' notice. The direct government of Canada bonds held by the fund were to be cancelled, and the government guaranteed that the bonds would in due course be traded to the Bank of Canada in exchange for equivalent government bonds, which in turn would be cancelled.

I presume that this transaction has taken place, and I suspect that the course pursued by the Minister of Finance in that regard averted the loss to the fund of several millions of dollars during the fiscal year 1960-61. It would be interesting, however, to know whether that is the case. We should know from the government what have been the consequences. We are now discussing a means of replenishing the fund, and we should now know what is the consequence of the decision of the government to take over the entire portfolio of the unemployment insurance fund.

The fact is that that portfolio at no time ever suffered unmanageable loss until this government came into power and only after the bond conversion scheme was imposed on it by the debt management policy of the government of Canada at that time. But we should have a report with regard to the consequence of this policy in terms of saving of money, as the Minister of Finance indicated would be the consequence.

The advisory committee made a recommendation. They approved the government taking over the portfolio but suggested that the government should consider establishing a minimum rate of interest on these non-marketable bonds. Was that done? What was done about this recommendation? Was it considered by the Minister of Finance? If not, why not? Those are further questions that I would like to ask of the parliamentary secretary at this time. I am sure that the parliamentary secretary, who is replacing the Minister of Labour at this time, will not feel that I have taken undue advantage of him in asking some financial questions, but I believe these are important to the maintenance of the integrity of the fund itself.

Mr. Martin (Timmins): Mr. Chairman, I am a bit surprised that we have the opportunity to speak on this item today. Unfortunately, taking the house leader at his word the other day, I had occasion to cancel three rather important engagements in my constituency over the week end to prepare for another matter that was supposed to be taken up today. But apparently we should be wiser by now than to take the house leader's word for anything.

Some hon. Members: Oh, oh.

Some hon. Members: Order.

Mr. Harkness: Mr. Chairman, on a point of order, I think this is a statement which the hon. member will, on reflection, not want to have stand in that form. I think the word of the hon. member who is the house leader is extremely highly regarded. Also, saying that you cannot take the word of any hon. member I think is strictly against the rules.

Mr. Martin (Timmins): Mr. Chairman, I reiterate that because of the word of the house leader on Friday I had to cancel three important engagements in my riding to stay in Ottawa to prepare for the bill pertaining to corporations and trade unions. Some 10 minutes prior to the opening of the house today I was informed that we were not proceeding in that fashion but were going ahead with the supplementary estimates.

Mr. Benidickson: A slap-dash government.

The Deputy Chairman: Order. I was hoping to hear some comment or withdrawal by the hon. member in regard to the imputation on the word of the house leader. I think the sentiments couched in the language that they are in should not be left on the record.

Mr. Martin (Timmins): Out of deference to you Mr. Chairman, I shall make whatever—

Some hon. Members: Withdraw.

Mr. Martin (Timmins): —withdrawal is necessary under the circumstances.

We are dealing today with an item the purpose of which is to pump $25 million into the unemployment insurance fund, which is almost depleted. It is rather strange that with the shortages we have in Canada today in the fields of public housing, highway development, water and sewage facilities and other things, the unemployment insurance fund should go broke.

I certainly have no more sympathy for the previous Liberal administration than have hon. members opposite, but it is interesting to reflect that in the 15 year period from 1942 to 1957, when this country was under the mismanagement of the former Liberal government, the fund grew at an average rate of $9 million a month.

Mr. Benidickson: Prosperity in those days.

Mr. Pickersgill: Quite a contrast.

Mr. Martin (Timmins): Since this government has taken over, and in spite of a 33 per

cent increase in premium rates on contributions to the fund, the fund has depreciated at the average rate of approximately $17 million a month during that 59 month period. We are now being asked to pump $25 million into the fund. At the rate that has prevailed since this government took over that amount will be adequate to last only six weeks, approximately a month and a half. Perhaps that will be long enough to see the government through another election. I wonder whether that is what they have in mind.

An important question to ask ourselves is this. What problems will $25 million solve? The *Globe and Mail* of May 10, 1961 carried an article entitled "Insurance or Relief" which warns the government against subsidizing the fund or abusing it, and points out that what is needed is reorganization. The first paragraph of the article reads:

> As the indicator on the unemployment insurance fund swings toward empty, opposition members have called upon the government to subsidize the operation. It is apparent that some action to stabilize the fund is necessary; but outright subsidization would merely perpetuate the evils which have brought it to its present precarious state. What is needed is reorganization.

Those are profound words, and the government should take them seriously to heart. It is clear that the original purpose of the fund is no longer adequate. The original purpose was to serve a rather narrow field. The fund was designed to provide minimum income between jobs. It was assumed at that time that the interval would be of short duration. Almost everyone realizes that is not the situation we have had to face in the last few years. It is true that the fund has been eroded to a certain extent by circumstances. The advent of automation and other things of that kind have had a serious effect on the fund. It is also true that the fund has been eroded by the weaknesses of the Liberal and the Conservative governments, which have been unable to resist exploiting the vote catching possibilities of the fund. So they have brought within the confines of the original idea behind the fund many groups that were not thought of at the time the fund was established, and have thus thrown it completely out of focus.

In any event it is recognized by everyone, except apparently by this government, that something more than the original design is needed now. What we now have is only a palliative for an old disease which is no longer the sickness from which the country is suffering. The fund as originally set up was only for short term unemployment or unemployment of a nature that was capable of rapid readjustment.

The original plan adequately covered unemployment of the type the fund was designed to meet. It was not designed for the 12 month period introduced by the present government. At the time that adjustment was made I asked what provision was being made for these extensions. There was none. The original idea did not embrace supplementary payments. All these things really amount to the government offering assistance as a form of welfare and charging it to the unemployment insurance fund. That is why we are getting into so much trouble at this time. That is why today we are faced with an item of $25 million representing an attempt on the part of the government to bolster the fund.

It is true that the fund has been subjected to abuses, some of which have been perpetrated by private individuals. Those are the abuses about which we hear so much. The government tries to create the impression across the country that that is all that is wrong with the fund; that someone here and there is chiselling, and some married women are receiving payments to which they are not entitled. I say there are greater abuses than those of private individuals.

Let me cite an example. In my constituency a couple of months ago a case was brought to my attention. A miner who had been employed in the local mines since 1923 suffered from bad health. This health declined to the stage at which he could not walk from his house to the road without pausing for breath. This man was fortunate in that he had served in the Canadian army for approximately five years and was eligible for what is known as the burnt out pension. Of course he was not really a burnt out veteran but a burnt out miner; but because there was no legislation by which he could obtain assistance in that capacity he was fortunate enough to be eligible for the burnt out pension as a veteran. We commenced an application for the pension. The individual was informed by a government official that before he could qualify he would have to use up all his unemployment insurance. What kind of nonsense is this? As soon as I heard about it I blistered the telephone wire; there was a quick about face, and the application went through for the burnt out pension. How often is this experience or a similar one repeated across the country?

I do not know why we have embarked on this game of self-delusion. I do not know why we think it is smart or adequate to believe that if we pay someone from another pocket, it really does not cost us anything. When we make payments out of the unemployment insurance fund, the burnt out pension fund or any other welfare fund it all

has to come out of the same pocket eventually. It is about time we overhauled the whole social security field. It is time that we began to look at it honestly. It is time to call a spade a spade. We should not bring in items of $25 million such as this, which do not represent a solution to the problem and which only serve to delay the inevitable day of reckoning.

Mr. Pitman: Mr. Chairman, I am moved to say a few words on this item. It has come to my attention from many sources and directions that there are many holes and gaps existing under this legislation in respect of which this item is being introduced. I think the feeling on the part of many people in Canada is that the unemployment insurance scheme must be definitely revised.

In respect of this fund the government evinces a kind of schizophrenia in the sense that when the matter is discussed there seems to be great urgency, purpose and concern, but when it comes to taking action a means is found to avoid coming face to face with the problem, by some back door or back alley method. For example, in the throne speeches of 1959 and 1960 we were promised amendments to the legislation, and last year a four-man special committee was appointed to review the legislation. I have in my hand a newspaper clipping dated July 17, 1961 in which the announcement is made of the appointment of the special committee.

It states:

> Prime Minister John Diefenbaker, in announcing the formation of the committee, with powers of a royal commission to call witnesses, did not indicate when the committee would report, but said he wanted it to be at the earliest possible date.

So we are constantly given the feeling that this government is ready to move, is ready to do something.

Mr. Martin (Essex East): It met eight months later.

Mr. Pitman: That is a piece of information with which I was not acquainted, namely that it met eight months later. However, the point is this. It appears that the government wishes to do something but for some unknown reason it does not do anything. Perhaps we should appoint a psychiatrist to the cabinet or something. For some reason they cannot seem to break through this thought barrier and do something about this problem. On July 1, 1961 the public accounts committee viewed with alarm the reduction in this fund. As has already been suggested by the hon. member for Essex East, the advisory committee of the unemployment insurance commission has suggested something being added to this fund for some time.

[Mr. Martin (Timmins).]

It seems to me that there are three areas of responsibility here. There is the responsibility of the employer to contribute, there is the responsibility of the employee to contribute, and surely it is the responsibility of the government to see to it that the legislation is going in the right direction. Furthermore, it is the responsibility of the government to provide the kind of economic situation which will allow this particular piece of legislation to work properly. It always makes me smile when people say we cannot have the full employment society, that we cannot have the kind of economic growth which will produce it; and by full employment I mean maybe 3 per cent, 4 per cent or 5 per cent of the working force unemployed. Yet this piece of legislation was put through to work in a full employment society. That is the only kind of society in which it will work.

The reduction we have seen from $900 million plus to the figure at which it stands today, namely $100 million plus, indicates that very point, namely that we must have a full employment society for it to work. This legislation simply will not cover prolonged chronic unemployment. It will not cover extensive seasonal unemployment. When it was passed in 1940 it was simply meant to carry a worker from one job to another. Of course it was assumed that after the war there would necessarily need to be some transitional period in which this might happen and this fund would tide the worker over. We are making this legislation deal with a situation which has no relevancy whatsoever to the intention when the legislation was passed, and it has no relevancy whatsoever to the philosophy behind the legislation and no relevancy whatsoever to the kind of society in which we have been living under this government.

Surely the government has two alternatives. It must either gear the legislation to accommodate itself to the kind of economy in which this government is willing to operate, or it must change the economy and provide the growth which will allow the legislation to work. Those seem to be the only two alternatives. What do we have? We have continuing announcements of concern and of urgency but never any real action. This item we have before us simply outlines what I think is the schizophrenia of this government in not being able to jump the barrier, or to leap through the bulwarks which prevent them from taking this thing in hand.

The reason I am led to rise today is that I think this country demands an explanation as to what is wrong. I find workers who have a kind of inferiority complex because they are collecting unemployment insurance. There

has been a feeling that it is a kind of charity, when in essence it is a form of social insurance. Until we get this thing reorganized I do not think the average worker is really going to have very much respect for this fund and for this particular way of dealing with unemployment. That is why I think it is most necessary, and I think it is an obligation upon this government, to do something in connection with this matter before it goes to the country. I do not think it can go to the people of Canada and justify what has happened to this fund over the last five years and what has happened to this economy without making at least one solid attempt to provide the kind of legislation which this country must have in this area.

I think it is a time to clarify the whole philosophy behind it. We get all tangled up because we are trying to deal with this legislation on an actuarial basis. It really is not insurance at all. We do not expect people to contribute what they expect to collect. It is not based on those principles. This is what has caused a great deal of confusion. I think this government has a responsibility to deal with this kind of confusion. I feel that we cannot raise the rates on those who are most likely to be unemployed, as would be done in an insurance aura. What you have to do is deal with it as a national problem. I think it is a matter of this government accepting responsibility for dealing with this problem, and at the same time recognizing that this has been part of the cost of unemployment, and a tremendous cost it has been.

I saw an article just last September to the effect that the unemployment insurance fund has paid out $3,250 million in unemployment insurance benefits—$3 billion in round figures—since it began 20 years ago. But let us look at the rise. In 1942 it paid out only $37 million. By last year, that is 1961, we paid $85 million in the one month of March. I think that is just fantastic; I refer to the rise that has taken place in what we pay out. I do not think this really is a payment which is related to economic growth or anything of which we can be very proud in this matter at all.

What I am concerned about is the fact that to a large extent we think that because we are not paying out unemployment insurance, because numbers are going off the unemployment insurance rolls, we have dealt with the problem. However, I am sure that all hon. members in this House of Commons know that there are many thousands who have exhausted their benefits completely. In the *Goble and Mail* of Wednesday, December 6, 1961, there is an article which states that the social welfare department in Quebec is now spending close to $6 million a month in helping workers who have exhausted their unemployment insurance benefits. If other hon. members have constituencies which are anything like mine, they will know that a great many of the men who last year were standing in front of the unemployment insurance office are now standing in front of the welfare office, and the welfare payments in the various provinces have been going up at a rate that has alarmed those who are, I might say, the least conservative of the people in provincial government circles.

I think some steps must be taken. There must be some great change before this parliament goes to the country. The Canadian Labour Congress has suggested that we should separate financing of the ordinary benefits from the seasonal benefits and that the seasonal benefits might very well be paid out of some kind of consolidated revenue fund.

Another problem, in my opinion, is the fact that monthly unemployment insurance payments, here again because they were geared to see a person over a few months, naturally are not very high. But now they are having to see people over many months and indeed years, and month by month what happens is that the individual finds that he is getting further and further behind, that his debts are rising. I think we need to take a very serious look at what the benefits should be in the kind of situation in which so many of our people find themselves. Indeed, one economist in the United States, for example, suggested that we should pay an amount equal to some fraction of the difference between workers' regular revenue or regular earnings and what his benefits should be, and that they should go up over the period in which he is unemployed. Today, of course, the average weekly benefit is some 30 per cent of the average weekly wage. How can an individual be a consumer and add anything to the economic well-being of the community under such a situation? Therefore I think we should look at this whole area of variable rates.

I am not going to take up any more of the time of the committee on this item, because essentially we are not dealing with the legislation. However, I think the fact that we are facing this item in the middle of March, with the possibility of this being the last session of this parliament, places a special obligation upon the government. I think we have to deal with this whole problem and do so in such a way that we can have the confidence of the workers and the employers; for after all these two groups in my opinion do have a responsibility and they have a right to expect that the government will accept its responsibility.

Mr. Robichaud: Before this item is carried I think the parliamentary secretary should

reply to the questions which were asked him earlier by the hon. member for Essex East. I know he asked him what the balance was in the unemployment insurance fund at the end of February.

Mr. Chevrier: That was my question.

Mr. Robichaud: I wish to correct myself; it was the hon. member for Laurier. In addition, what was the number of claimants receiving benefits as at the end of February?

Mr. Thrasher: Mr. Chairman, I had hoped to answer any questions at the conclusion of hon. members' remarks. The balance in the fund at the end of February was $104,618,000. Unfortunately the figures regarding applicants are not yet available for February.

Mr. Pickersgill: Before this item carries, Mr. Chairman, there are one or two observations I wish to make that I did not have the opportunity to make the other day. I said the other day that we would never have been asked to vote this $25 million if the government had shown any sense of responsibility or any appreciation of the fact that there was a problem to be solved. I was very much interested to hear the hon. member for Timmins trying desperately to support his party's favorite thesis that there is no difference between the way the Liberals managed this affair and the way the Tories have, but he made a pretty poor job of it because he had to admit that there was $928 million in the fund when this government took office. We have now been told that at the end of February last there was only $104 million, which I think dramatically demonstrates the difference.

I think the hon. member for Peterborough, who did not attempt to square the circle perhaps because he is a little wiser even though younger, put his finger on the point right away when he said this legislation was not designed for a period of prolonged and chronic unemployment. Rather it was designed for a period of full employment and, of course, that is what we had in this country up until 1957.

I think it might be useful to illustrate that it is not Liberal propaganda when I say that we had full employment up until 1957. I have in my hands the proceedings of the dominion-provincial conference which met on the 25th of November, 1957. To that conference the Prime Minister gave an appraisal of the unemployment situation in Canada. Remember, sir, that this was a formal appraisal given to the premiers after this government had been in office for five months. They no longer had any excuse for not knowing the facts. Oh, I know they pretend—the Minister of Public Works in that helpful spirit he always shows in the house brought it up the other day—that the Liberals knew away back in March of 1957 that there was going to be heavy unemployment, but these bright gentlemen after five months on the treasury benches had no such idea. They were not bright enough to see the facts.

Here is the Prime Minister's formal opinion as to the state of unemployment in November, 1957, five months after this government took office. It has been put on the record before, but it is very relevant because it shows why we are in the situation we are in now. It shows the refusal of the government at any stage to treat the problem seriously. What the Prime Minister said to the premiers was not an off the cuff statement. I was present as a spectator at that conference, and I remember that the Prime Minister read from a document that had obviously been very carefully prepared in advance as his judgment of the unemployment situation in November of 1957. He said:

> I wish now to say a word or two on the question of unemployment. In many countries of the free world there has been a pause this year—

Mr. Pallett: Is that the dominion-provincial conference?

Mr. Pickersgill: In 1957. If the hon. member had done me the honour of listening he would have heard the reference when I first gave it.

Mr. Pallett: The hon. member said 1957, but he did not indicate the document.

Mr. Pickersgill: I said I was going to refer to the proceedings of the dominion-provincial conference of 1957 which began its sessions on the 25th of November, and that these words are from the opening address by the Prime Minister to the premiers. This was the first time the Prime Minister gave an official appraisal. He had been in office for five months then, and at that time he gave an official appraisal of the unemployment situation as he saw it after five months in office. This was the Prime Minister's judgment after having had five months to study the problem:

> I wish now to say a word or two on the question of unemployment. In many countries of the free world there has been a pause this year in the rapid pace of development and, as in 1954 and 1955, an increase in unemployment. You will remember in those years that while the percentage of unemployed in Canada in relationship to the number employed was much higher than it is today—

This is the Prime Minister saying that, not I.

> —that fact and those circumstances did not herald the beginning of depression. What actually happened was that there was a levelling off process which subsequently led to an even wider development and expansion program. When I say that, of course, I do not mean that prompt action must

not be taken to meet what I believe to be a temporary situation this winter. This government has taken active measures to meet this short term situation and is taking additional ones.

After five months in office, after plenty of time to acquaint himself with all the information that was available, this was the considered judgment of the Prime Minister.

The other day the Minister of Public Works challenged me to say something about the hidden report. I am going to say something about it in relation to this matter, and what I am going to say is this. No one in this house believes that the Prime Minister had not already seen the hidden report when he made that statement. Certainly the Minister of Veterans Affairs, who was then minister of trade and commerce, would not say that he had not had that report drawn to his attention before the 25th of November, 1957. Therefore when the Prime Minister made the statement that this was a pause, that unemployment was less serious than it was in 1954 and 1955, that it was a temporary thing for that winter only, he made it in the light of the information that was available to him from all the files of the government including this so-called hidden report.

I think it is useful to have that perspective, because it has been the fashion for hon. gentlemen to say that they were too stupid—I am paraphrasing them—to see things for themselves that the Liberal government with its much greater foresight had foreseen months before. But the fact of the matter is that all the information that was available to the Liberal government was available to these gentlemen, and a great deal more; and the judgment of the Prime Minister in November of 1957 was that this was a pause and a levelling off from which we would rise to greater heights.

The fact is, of course, that this was the beginning of a recession, not a very deep recession but one which went on through 1958 and which the government claimed was over in 1959. They did not see that there were any chronic elements in it. They claimed it was over, and they have claimed it has been over two or three times since. In other words, they simply failed at any time to pay any attention to the facts.

These are not the only facts they ignore. They publish propaganda literature designed to impress the electorate which is filled with statements—there is only one word for it—that are patently false. Here is one, for example, from this little booklet to which I referred the other day in which the government boasted it had increased relief payments by 847 per cent. Just imagine any government in the world boasting that it had increased relief payments 847 per cent. What a topsy-turvy kind of government, to boast about increasing unemployment relief and then to say that unemployment is not serious. You know, it passes comprehension, sir.

Here is another statement from this booklet entitled "Still more action for Canada and Canadians":

For the first time,—

This was after this government had come into office.

—fishermen and other seasonal workers are included under its coverage.

This statement is false; it is completely and utterly false. So far as I am aware, there has not been a single seasonal worker put under unemployment insurance since the present government came into office. There has been no change in the unemployment insurance legislation since the present government came into office except an increase in the contributions by about 30 per cent. This is the only change they have made. The seasonal workers, rightly or wrongly—there are some people who condemn it—were included under the legislation by various changes in the years before the change of government. The fishermen were included in the spring of 1957 by an act of this parliament, an act which was praised by all parties in the house. The legislation came into effect on April 1, 1957, just about three months before hon. gentlemen went over to the treasury benches.

They had persistently and consistently made these false statements ever since. It is all of a piece with what they do, and whether it is deliberately false or whether it is done from ignorance, I do not know. I do not know which I would be prouder of if I were in the shoes of hon. gentlemen opposite. Do they want to boast that they are so ignorant they cannot produce the facts or are they deliberately trying to fool the people? There is no third possibility.

An hon. Member: You said that last year.

Mr. Pickersgill: And it deserves to be said again. It seems to me that either they are using a deliberate campaign of falsification to get the support of the public or they are so ignorant of the law they do not know what they are talking about.

In order to give you an idea of how ignorant they can be, and here I feel I must use the word "ignorant"—

Mr. Jones: Your language is certainly limited.

Mr. Pickersgill: The hon. gentleman will perhaps wish to say something when I have finished this quotation. I have here, from the Prime Minister's office, a copy of a document entitled, "Notes for a Speech by the

Prime Minister, the Right Honourable John G. Diefenbaker, P.C., Q.C., M.P., at a Meeting of the New Brunswick Progressive Conservative Association, Fredericton, N.B., October 21, 1961." What did the Prime Minister say in these notes that were given to the press? This was not something that was casually said off the cuff. These notes were given out for the guidance of the press in writing stories for the people of Canada. Here is what it says, and it staggers the imagination:

> Then there was unemployment insurance. We contended that the St. Laurent administration had failed to have unemployment insurance do the job it was intended to do. At that time, Canadians in only six of the ten provinces came under its provisions.

Here is the Prime Minister of Canada so ignorant of the law, so ignorant of the administration that he had been carrying on for over four years at that time—

Mr. Martin (Essex East): Would you repeat that?

Mr. Pickersgill: I certainly will repeat it. I thought it might be a misprint because it staggers the imagination.

> Then there was unemployment insurance. We contended that the St. Laurent administration had failed to have unemployment insurance do the job it was intended to do. At that time, Canadians in only six of the ten provinces came under its provisions.

Mr. Martin (Essex East): Amazing.

Mr. Pickersgill: That is the kind of thing the Prime Minister goes about the country saying at political meetings. Of course, that statement is false, as every member in this house knows. It is completely and utterly false. I am not accusing the Prime Minister of having made it up. It was obviously made up in the boiler factory where the Prime Minister gets his speeches. All he does, apparently, is to use this stuff. He does not bother checking it. He does not bother to find out whether what he says is fact or, to use one of his favourite words, fiction.

Mr. Browne (St. John's West): May I ask the hon. member a question?

Mr. Pickersgill: It is absolutely appalling—

Mr. Browne (St. John's West): May I ask a question?

Mr. Pickersgill: Yes, certainly.

Mr. Browne (St. John's West): Was the reference to unemployment insurance or to hospital insurance?

An hon. Member: He is referring to unemployment assistance.

Mr. Pickersgill: He is referring to unemployment insurance. I shall read on a bit if the hon. gentleman says it was unemployment assistance. If it was unemployment assistance, the Prime Minister is even more wrong. I quote:

> Today, its benefits are enjoyed by Canadians in all ten provinces.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I know hon. gentlemen do not like this revelation of what the Prime Minister is doing. They are trying to create a diversion. I quote:

> Today, its benefits are enjoyed by Canadians in all ten provinces.

The Prime Minister was elected to this house for the first time on March 26, 1940. He was here when the amendment was made to the British North America Act to place unemployment insurance under parliament. He was here when the act was put on the statute books. He knows quite well that from the day that act came into operation it applied to the whole of Canada and yet he goes down to Fredericton and has the gall to say that, at that time, when his government came into office, Canadians in only six of the ten provinces came under its provisions.

Mr. Browne (St. John's West): What is the text from which the hon. member is reading?

Mr. Pickersgill: I am reading from a release from the Prime Minister's office, the title of which I gave fully if the hon. gentleman had taken the trouble to listen. These are notes for a speech by the Prime Minister at Fredericton, and I am not going to repeat the full title.

Mr. Pallett: There is no suggestion the speech was delivered in that form?

Mr. Pickersgill: I do not know whether or not it was. I do know this document was issued to the press by the Prime Minister's office. I know that this was one of the things the Prime Minister felt it was quite proper to use. He would not have put it in the notes and given them to the press if he did not.

When you go on and read the next paragraph, it is quite clear that he was referring to unemployment insurance.

> We said that its coverage should be extended. As a result of action we have taken, its benefits are now available for 52 instead of 36 weeks.

It is obviously unemployment insurance about which the right hon. gentleman was talking. This just illustrates that careless attitude with regard to public business that has characterized virtually everything this government has done. It is the same sort of thing that makes them say:

> For the first time, fishermen and other seasonal workers are included under its coverage.

Since this is party literature no one in the house accepts the authorship of it, and I can refer to that statement in the words of the Minister of Finance by saying, "That is a blatant lie." I want you to understand, Mr. Chairman, that is not the kind of language I use. I simply use the language of the distinguished Minister of Finance. Or is he the real Prime Minister?—we do not know. We have not known since Quebec. What we do know is that this gentleman is a leading member of the government that publishes this kind of false propaganda, intentionally or ignorantly—they can have their choice as to which particular adverb they wish to use—

Mr. Martin (Essex East): And distributed by all Conservative members in this house.

Mr. Pickersgill: Distributed undoubtedly largely at public expense to thousands of people all over the country, to mislead the Canadian people. This document is staggering. It is unbelievable that anyone who is Prime Minister should be so careless of his public utterances, so indifferent to what he was saying as to say that this act, until the present government came into office, had been in operation in only six provinces. It is incomprehensible, sir. I just cannot understand what they were thinking about.

Mr. Horner (Jasper-Edson): Unemployment assistance, obviously.

Mr. Pickersgill: I am sure the Prime Minister did not know any better, or he would not have circulated it when the speech writers produced this kind of thing for him. Make the most charitable interpretation you like of it. I could go on and find a lot more things in the document "The record speaks" which my hon. friend from Leeds has handed me, but since it relates to another statute I shall not use it at the moment, because I intend to deal with the act we are now considering.

I ask, when you have such appalling ignorance manifested, displayed, advertised by the Prime Minister, is it any wonder that nothing is being done about this legislation? Is it any wonder they have persisted, like ostriches, with the view that nothing needs to be done? After five years of watching this fund gradually melt away they still have no remedy. They have remitted it to a commission—

Mr. Henderson: Will the hon. member permit a question?

Mr. Pickersgill: —and I agree with what the hon. member for Essex East said about the commission. Mr. Chairman, there seems to be a disturbance in the house. I hope it will subside as it has arisen in a kind of volcanic fashion, and with about as much benefit to the public generally.

An hon. Member: About as much benefit to the people in your riding as you are.

Mr. Pickersgill: As I was saying before I was interrupted, a government which has had so little knowledge of what is going on—

Mr. Pallett: You have said that many times.

Mr. Pickersgill: I have said it a number of times but I know that hon. gentlemen opposite, especially some of the more notorious ones from a certain province in this country, need to have things repeated a great many times before there is any penetration.

Mr. Pallett: That was Goebbels' philosophy too.

Mr. Pickersgill: Did the hon. gentleman make any observation?

Mr. Pallett: I merely said that the repetition of such statements was Goebbels' philosophy.

Mr. Pickersgill: No. The repetition of false statements was Goebbels' philosophy. The repetition of truth was not. The repetition of false statements—this is a good example:

> For the first time, fishermen and other seasonal workers are included under its coverage.

—this is the kind of thing Goebbels said. I did not introduce this note into the debate, Mr. Chairman. It was the chief whip on the government side. I was attempting to put the truth on the record, the truth about this kind of false propaganda and I am very glad that the hon. gentleman should have seen fit, as the Minister of Finance has also done, to brand this kind of thing in the way it should be branded.

When a political party descends to this kind of thing, descends to deliberate, calculated, false statements which they do not think will be found out, such as this—

> For the first time, fishermen and other seasonal workers are included under its coverage.

—then I think it deserves to be described in the way that the chief whip has described the propagandists of his own party, using a word I would not use to describe them, but a word he has chosen to introduce into this debate.

Mr. Pallett: It describes your statement.

Mr. Pickersgill: If the hon. gentleman says he is describing my statements, then I am sure Your Honour will ask him to withdraw such a statement about a member of the house. I have made no such statements about any hon. member of the house. I have made statements about these anonymous propagandists

who are publishing this anonymous propaganda, but I am sure the chief whip does not intend to apply that word to any hon. member of the house. At least I hope he does not, if the hon. gentleman wants to suggest that any statement I have made is not true, then let him get up at once and say precisely what is untrue. If he can demonstrate it is untrue I shall withdraw it, as I have done on one or two occasions in this house when I inadvertently said things that were not strictly accurate. I think that has been my record in this house and I hope it always will be, because it seems to me we cannot have any decent management of our public affairs unless the words of members of parliament can be relied upon.

That is why I did not think for one minute, or suggest, that the Prime Minister deliberately did this. I do not think he did. I just say it is careless, but the fact that it is careless is inexcusable. Why are these speeches made? They are made to influence the public in deciding what government they should have in this country, and surely there is enough that is right to be said to influence the public without distortions and plain falsehoods being used for that purpose, as this statement is in this little blue booklet.

I have said these things because it seems to me that behind them is the attitude the government have taken about this whole problem. They have refused to admit that this was a serious problem, and that is why it continues to become more serious. A government that grappled with problems would have done something about it long ago, and that they have failed to do.

Mr. Carter: Before the minister replies to the questions that have been asked I should like to put one simple question regarding the administration of the fund. I understand that the act provides penalties when claimants do not meet the proper requirements, that is, if they leave their jobs voluntarily or if they lose their jobs for cause or various reasons. In determining the extent of these penalties does the person adjudicating a claim have discretion?

I ask this question because some very great discrepancies have come to my attention in parallel cases. In some cases where the infringement has been a minor one there has been very heavy disqualification, and in other cases where there was quite a strong infringement, which I think would merit a big disqualification, the disqualification period has been very short. I would like to know whether that sort of thing arises out of the act itself or out of the discretion of the person adjudicating a claim.

[Mr. Pickersgill.]

Mr. Thrasher: I see it is now seven minutes to five o'clock and I am hopeful the committee will see fit to pass this item before five o'clock.

Mr. Martin (Essex East): Well, we have some questions.

Mr. Thrasher: There were a few questions put to me, but first of all I would like to say that the hon. member for Bonavista-Twillingate showed a great deal of concern about the truth. He was criticizing those whom he said were publishing false statements, and he said if he inadvertently made any statement that was not correct I should remind him of it. I would point out to the hon. gentleman that in his remarks he said the only change in this legislation had to do with increased contributions. In reply to the hon. gentleman I indicate that there were other changes increasing the benefit period to 52 weeks; there were amendments extending the seasonal benefit period, and there were changes in the regulations putting married women on the same basis as the other contributors to the fund.

Mr. Pickersgill: I readily acknowledge that the hon. gentleman is right about those things that he specified.

Mr. Churchill: And that you were wrong?

Mr. Pickersgill: No, some of those things were done by regulation.

Mr. Churchill: Oh, go the whole way.

Mr. Pickersgill: No. Look here, I certainly was not strictly right, that is quite true; but what I was referring to was the inclusion of any new groups, and I think I am right in that. However, I think the hon. gentleman is certainly right about the other points he raised.

Mr. Thrasher: Mr. Chairman, the hon. member for Essex East asked whether it was a fact that the unemployment insurance commission sought a larger amount than the amount now before us. May I say to the hon. gentleman that I am not aware of any request on the part of the unemployment insurance commission for any larger amount than the amount now before us. I understand that there was discussion between the commission and officials of the Department of Finance and that this figure of $25 million was arrived at as one being proper for these purposes at this time.

Mr. Martin (Essex East): My information is that they asked for $75 million.

Mr. Thrasher: Unfortunately I do not have the same sources of information as the hon. gentleman; I get my advice from the

officials of the department and the unemployment insurance commission. The hon. member for Essex East also asked about the government bonds that were exchanged for the bonds previously held by the unemployment insurance commission. May I say that I am not able to give him all the information he desires in this respect as I speak only for the Department of Labour and cannot speak for the Department of Finance. However, the exchange has been made; the government has exchanged new bonds for the old bonds on the basis of the book value of the old bonds, which would mean what the commission actually paid for those old bonds. The government pays interest on the new bonds and the interest rate, I understand, is established every six months based on current rates. I am not able to give the hon. member the exact formula that is used for arriving at this rate.

The Deputy Chairman: Shall vote 669 carry?

Mr. Carter: Mr. Chairman, I would like to get a reply to the question I asked.

Mr. Thrasher: May I say to the hon. member that there is a maximum of six weeks. A man may be disqualified for a period up to six weeks, but if there are any mitigating circumstances the disqualification period may be less, in the discretion of the officer.

The Deputy Chairman: Shall vote 669 carry?

Mr. Robichaud: Mr. Chairman, I asked the parliamentary secretary what was the total number of claimants receiving benefit at the end of February.

Mr. Thrasher: I advised the hon. member at the time he asked his question that that information was not yet available.

Mr. Pickersgill: What about the end of January? Would the hon. gentleman give us the latest figure that is available?

Mr. Churchill: Will you accept that in a letter and pass the item now?

Mr. Pickersgill: We will pass the item before five o'clock.

Mr. Thrasher: I do not have that information here but I will be glad to secure it for the hon. member.

Mr. Robichaud: I believe this information should have been available in this debate because it is quite relevant to the arguments which have been raised this afternoon. In reviewing the figures for the last few years I find that from January to February, 1960 the fund was reduced from $445 million to $408 million, a loss of $37 million, when we had 620,000 claimants receiving benefits. I have every reason to believe that the figure at this time is in the vicinity of 620,000 claimants receiving benefits. From January to February, 1961 the fund was reduced from $283 million to $240 million, a reduction of $43 million, with 672,000 claimants receiving benefits.

A few minutes ago the parliamentary secretary stated that the fund was reduced, from January to February, from $135 million to $104 million and he admitted that this last figure is only a tentative one. In view of past experience with the final figures—

Mr. Thrasher: No, Mr. Chairman, I did not say that was only a tentative one; I said that $104 million was the figure.

Mr. Robichaud: You can assure the committee that this is the final figure?

Mr. Thrasher: Yes.

Mr. Robichaud: Well, that is not according to past experience. Around this date in previous years the figure has been released, and I believe it was suggested that the figure would be in the vicinity of $3 million or $4 million lower than the figure quoted by the parliamentary secretary at this time. In view of those figures, with the months of March and April ahead we have every reason to believe that the amount of $25 million will not be enough to carry the unemployment insurance fund until the end of May, when the fund may start to increase if employment is sufficient to do it and if unemployment has decreased enough to permit an increase to the fund.

Item agreed to.

DEPARTMENT OF NATIONAL DEFENCE

Canadian Army—

644. Operation and maintenance—further amount required, $35 million.

The Deputy Chairman: Shall vote 664 carry?

Mr. Pickersgill: Five o'clock.

The Deputy Chairman: Order. It being five o'clock it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business pursuant to section 3 of standing order 15.

HOUSE OF COMMONS

REQUEST FOR INCREASE IN INDEMNITY OF MEMBERS

Mr. D. M. Fisher (Port Arthur) moved:

That the government give immediate consideration to the need for increasing the income of members of parliament.

Request to Increase Members' Indemnity

He said: Mr. Speaker, this is a most succinct resolution, I believe the shortest one on the order paper, and I will try to keep my remarks with regard to it as brief as possible. There is an old verse which goes back to the 1880's on this subject. I believe it goes something like this:

It is plain to be seen as you sit in the gallery,
That they agree on just one thing, and that is more salary.

I do not know whether such unanimity will be forthcoming here but I know this is a subject that interests every member of the house. Hon. members may remember that some three sessions ago I raised the matter one evening at a grievance time. The response from several hon. members of the house was favourable and the whole matter of more pay for members of parliament got rather wide publicity.

At that time I became very much aware that whatever those of us in the house might feel about more pay for members of parliament, there was a considerable body of feeling outside that felt we were either overpaid or we were well looked after. I thought I might put on the record two samples of this kind of point of view just to indicate in a sense what we are up against in this consideration. This letter was addressed to me from a Mrs. Brewer of Calgary, dated May 6, 1959. It was addressed to "Mr. Douglas Fisher and other backbenchers" and reads:

Enclosed find newspaper clipping that caused this letter. If you men cannot live on $10,000 a year, how do you expect the old age pensioners to live on $55 a month?

Yours very truly,

The other letter I should like to read to the house was a bit more extensive. It was sent to the hon. member for Winnipeg South (Mr. Chown) who, with the hon. member for Calgary South (Mr. Smith), joined with me and in some way has given leadership in collecting data on the relative incomes of legislators in various parts of the world. This letter came from Ladysmith, British Columbia, dated January 18, 1960, from M. A. Alton, addressed to the hon. member for Winnipeg South, and reads:

Sir: The Victoria *Colonist*, Saturday, January 16, carried a news release as a memo coming from your desk regarding pay increases for members of the House of Commons.

I can't help but think that you and all members knew, when you offered for election, that the remuneration was so much and all the details. Yet last year Fisher from Ontario—Port Arthur area—immediately asked for a raise after election. To me, you and the rest just lack plain guts to include that item on your platform and electioneering program. The civil servants work 12 months in the year, while you characters reach Ottawa and try to find out how many sessions of parliament you can miss, as evidenced last year when the house was in session and only 38 members were present. Oh, yes, you will say that you were attending meetings elsewhere—which happens seldom. A record of those meets is kept also and it is very noticeable how many you attended—I think that you are overpaid now—

[Mr. Fisher.]

I shall leave out a section here because it becomes quite sulphurous about several of my colleagues in the house. It then picks up:

Further, I think you have a nerve suggesting that you are in a favorable position with an American Congressman—the States and their congressmen serve 170 million people and they work at it—as a member of parliament you might do actually 30 days work in a year—not a session—but a year. So I repeat—you and . . . and the like are overpaid.

I put those two on the record as typical of the kind of reaction that appears whenever the subject of more pay for members of parliament comes up for discussion. I do not wish to make this personal but there may be other hon. members who have had the same experience. I know that I have been confronted with the following reaction in my own constituency and region by both friends and enemies. My enemies say, "keep right on talking about more pay for members of parliament," and my friends say, "do not bring up the subject at all; it must be a form of death wish on your part to even touch on it."

I do not want any hon. member to conclude from that that I feel I am being either brave or foolish in bringing forward this resolution. The reason I brought it into the house this session is that I received some prodding. Before the session started I had the opportunity to speak to an informal meeting of civil servants—largely senior civil servants—in this town. When the discussion got around to the performance of members of parliament I was very surprised to discover that without exception the people there were unanimous in thinking that there had to be higher pay for members. One very senior man in the government said, "You are a bunch of mice up there on the hill to put up with the situation as it is. Not only are you mice but the leading people in the parties are, too, because I am convinced, as many of my colleagues are, that a great many able people in this country do not offer to run for parliament and in fact will not consider it because of the expenses and debts that can be involved." Because of that prodding I received that evening I thought it would be well to put this resolution for discussion before the house.

I must say that shortly after the resolution appeared on the order paper a news release went out through the Canadian Press and the invective began to fly again. I will not read any more of the letters that came to me but I will say I received a considerable volume of mail from right across the country

and particularly from British Columbia. I must say to my colleagues from British Columbia that you somehow have managed to convince a lot of people out there that $10,000 is a lot of money for your services. I express that with amusement on my face, but there is obviously a serious foundation for this in British Columbia judging from my mail because it is very critical.

As a result of the latest resolution and some statistics and information circulated by the hon. member for Winnipeg South, we have noted that the press of this country is much more favourable this year than just two or three sessions ago to the idea of more pay for members of parliament. I do not wish to place evidence of this on the record but I can tell the house that in 1962 almost all newspapers in Canada have commented favourably. I have in my file extracts from almost all newspapers with fairly substantial circulation from every province of Canada expressing support of this idea.

Included with the support of the idea, of course, is a certain amount of criticism. I wish to place on record a brief portion of an editorial which appeared in the newspaper in my home city, the *News-Chronicle* of Port Arthur, issue of January 22, 1962:

> Everyone is aware that the ordinary member of parliament receives $10,000 a year for his services. Of this, $2,000 is a tax free expense allowance.
>
> To many who work for a great deal less than this over a full 12-month period it sounds like an awful lot of money.
>
> To a member of parliament it is a different story. Representing a place like Port Arthur which is so far from the seat of government entails a great deal of expense in travelling to and from the constituency and in maintaining accommodations in two cities for almost eight months of the year.
>
> Besides this, a politician who tries to do his job as well as possible has to do a lot of supplementary travel. There are many incidental expenses that also add up to a large slice of that $10,000.
>
> No politician can afford to be tight-fisted in his everyday dealings with people and with charities.
>
> There is an inequality involved too. Some members represent areas in and around Ottawa and still receive the same allowance although their expenses obviously are not going to be as high as those from more distant points. Often they are able to look after their businesses and their parliamentary duties without hurt to either.
>
> A reasonable sacrifice can be expected of anyone dedicated to serving his country. It is not necessary that a sacrifice be demanded, but that seems to be the tradition.

The editorial goes on to comment on the amount of money that should perhaps be added to both the expense allowance and the salary to make the position more attractive. I do not intend to quote much more, except to indicate that the newspapers in Quebec including the *Nouveau Journal* and *Le Devoir* in a recent series of articles I have seen have also indicated that in that province there is an increasing understanding that members of parliament to carry out their chores, for the position to attract good people, because of the lengthening sessions and the greater responsibilities that devolve upon members, should enjoy an increase.

Now, as to what that increase should be I cannot suggest with any assurance. I know that there will be criticism no matter what is suggested and no matter what action the government may take upon the suggestion, but it seems to me the government should accept this motion and that it should make arrangements to call together representatives of the three parties in this house in an effort to strike some sort of figure. Incidentally, at least the two opposition parties I understand both are on record through resolutions coming out of their conventions as advocating more pay for members of parliament.

After a figure has been struck then I think this parliament should introduce that measure, not to go into effect in relation to this parliament but in relation to the next. I also feel it is unfortunate that this was not done before we got as close to an election as we probably are. As I said, I think a higher stipend would have been an attraction to more people to enter the lists.

Within the last few weeks I have had the opportunity to interview the national organizers of the Liberal, Conservative and New Democratic parties. All in effect told me the same thing. I do not think I am being unfair in paraphrasing them. They have said there is considerable difficulty in getting candidates to try for the position of member of parliament and particularly young men in their thirties, forties and early fifties. They often find this quite discouraging. They are also aware that there is some discouragement among members of this House of Commons because of the way expenses have piled up.

In taking advantage of this opportunity to present my views I have not wanted to go into personal detail. I think any one among us who has a family could make a case for an increase by quoting figures of the costs involved. I also know it is very easy to point the finger of scorn at almost any of us, if anyone wanted to do this, in terms of our performance as individuals. But thinking of the institution, thinking not of us as members but of the members to come, we must make service in this chamber more attractive and less burdensome than it is for many hon. members at this time. When I was approached on the subject of the figure I suggested that, from my own experience, it should be approximately $3,000 more a year. Moreover, it could be added in the form of expenses, because there is no

question that we spend far more than $2,000 on expenses. That amount would keep me personally from getting into debt.

I do not know what the experience of other members may be. I certainly know there are many members in this house who, through their vocations, their constituencies and their family situations, have greater burdens than I myself have. However, I am certainly much more aware now than I was when I entered political life of the financial demands made upon a member of parliament. I certainly know that there is only one way in which I and others like me can survive in politics at the present time, and that way is to find some other source of income, using what talents we may have. It seems to me this method might be arguable as a good thing but in the long run I cannot see it.

I think the situation today is that a member's primary responsibilities are to this chamber. For that reason I would hope that the members of all parties in the house would join with me in impressing this brief resolution upon the government, in the hope that they would do something with it this session in order to indicate that in the parliament to come, the one that succeeds this one, the members could count on a higher stipend.

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

Mr. John Pallett (Parliamentary Secretary to the Prime Minister): Mr. Speaker, as no one appears to be rising, and as I know that some members who have indicated interest in this matter are not able to be here today, I move that the debate be adjourned.

On motion of Mr. Pallett the debate was adjourned.

STUDY OF MEASURES TO LIMIT ELECTION CAMPAIGN EXPENDITURES

Hon. J. W. Pickersgill (Bonavista-Twillingate) moved:

That a special committee, consisting of sixteen members to be designated later, be appointed to consider and recommend means of assuring greater independence to members of parliament through more effective measures to limit and control expenditures in the campaigns for the election of members of the House of Commons, and that standing order 67(1) be suspended in relation thereto.

He said: Mr. Speaker, the motion I am now making is that a special committee of the house be set up. I considered rather carefully whether it should be a special committee or whether it should be the committee on privileges and elections. I may say quite frankly that if someone wished to move, by way of an amendment to my motion, that the matter be remitted to the committee on privileges and elections, I would have no objection. My experience with that committee in 1960, when we were considering the elections act, was that on the whole it was an excellent committee which, in view of the fact that we were considering the elections act, did its work in an extremely objective and non-partisan way most of the time. Oh, I will admit that there were times when we did not forget that we were party politicians. However, the atmosphere in that committee was as agreeable—and I am sure that many others who served on it can say the same thing—as that in any committee on which I have ever served in the House of Commons. At the time we were considering the elections act, both in the committee and in the debate on the act in the house, I made a few observations along the lines of those I am going to make today. I make my observations today, of course, with a great deal more confidence and, in a sense, with a good deal more authority than I made those of two years ago. The views which I expressed two years ago were just my own views. The views I am going to express today are views that have been formally accepted by the political party to which I belong as a part of its program for action when it is once more called upon by the people of this country to form a government.

It is very simple indeed to put to the house the proposition which I should like to have considered by this special committee and I do not need to take a great deal of the time of the house in order to do so as I should like to have other hon. members express their interest in this matter. I think the real debate and discussion should take place in the special committee itself where we could really get down to cases.

Stated briefly, the proposition relates to two things which are absolutely interconnected and interdependent. Of course, the first one could be done without the other but I doubt that it would ever be done effectively in that way. On the other hand, no responsible parliament would ever do the second one without doing the first. The first is the limitation of the total expenditures permitted both candidates and political parties in general elections and presumably also in by-elections. The second is the payment of the greater part of these expenditures—possibly all of them but certainly the greater part of them—out of the public treasury.

The first proposition I think would meet with almost universal acceptance as a desirable thing in itself. I do not think there are many people in this country who could honestly say they think it is a good idea to have unlimited money spent on election campaigns. However, there are many people who are dubious about the possibility of policing

expenditures. Once you start in this field of prohibition, as everyone knows, difficulties are encountered. It is a very difficult field in which to legislate unless there is a really genuine consensus in the community in favour of prohibition. However, this would not really be complete prohibition. It would be a prohibition of only more than a certain amount of expenditures. What it would really be is temperance rather than prohibition. Of course, everybody is in favour of temperance.

It is true that in the elections act we defined things precisely and we made many changes in the definitions in this parliament in 1960. We defined carefully those things on which money cannot be spent by candidates. However, our constitution really takes little account of political parties. It does so in a few respects in the elections act, but not many. It is, of course, perfectly fruitless to limit the expenditures of individual candidates so long as party expenditures are not limited, in certain fields at any rate. I think this problem has become an urgent one. I think it is much more urgent than it ever was previously and that, with the advent of television, it is much more intractable than it ever was previously. We all know that television is extremely costly. We all know that some measure of use of television is essential if political parties are to compete with all the other demands upon the time and attention of the electorate. Perhaps it would be nicer if that were not so. Perhaps it would be nicer if there were such an ardent flame of patriotism burning in all our people that they would deny themselves all amusements and all other avocations to listen to politicians. But we all know they will not do so; we all know that we will not be listened to or looked at unless we compete with the other shows. With television this becomes increasingly difficult and also increasingly costly.

There is another aspect, of course, of this problem of limitation that is also very important. I think it is impossible to have voluntary limitation. If it were left entirely to the party managers right after each election when they are faced with the cold, hard facts of the bills they have to pay and the difficulties they have in paying them, I feel sure they might reach an agreement about how much they would do, but there would be no sanction to it and in the heat of an election campaign one would always have one's doubts. I frankly confess that in those circumstances I would not have enough faith in human nature to believe that it would really work. I think it is like disarmament. I think it has got to have a sanction and the sanction must be the sanction of the law. I believe of course, that if the right kind of penalties and the right kind of enforcement machinery are provided there will be such an enormous incentive to all political parties to abide by the law that in fact it will not be nearly as difficult to enforce as many people think.

A much more revolutionary idea of course, under our system of government is the idea that the expenditures or a large part of them should be paid out of the treasury. Why would anyone advocate that? Why would anyone suggest that this should be done instead of following the present system of raising voluntary, quasi voluntary or perhaps some involuntary contributions from certain sections of the community that want to support a political party or feel impelled for one reason or another to support a political party? In the days before 1900 political campaigns really did not cost very much. If the average candidate could raise a few hundred dollars he could buy a horse and buggy, get around his constituency and attend a few meetings. A free show was being put on and it was fairly easy to raise the necessary funds among the neighbours. But today we are all conscious of the fact that very large sums of money have to be raised for what are perfectly legitimate and proper expenditures and what would be, even with the most rigid limitation, perfectly proper, legitimate and, I think, necessary expenditures if we are to have an informed public exercising the franchise. I do not think anyone would argue seriously that, with the state of the world today, that is not a desirable objective.

Of course, it is easy to enunciate the general principle, but how would this principle be worked out in practice? I have no fixed views upon that. I would be glad to put a scheme forward at any time. I would be happy to put a scheme forward for discussion in the committee but I would not think that I had the final word on this any more, I am sure, than any other hon. member would. I think there are half a dozen ways in which this could be done and fortunately, of course, we are going to have some practical guidance in this matter. As hon. members know, there is a bill before the legislature of one of the provinces to do precisely what I am suggesting we in this house should merely study. There is an actual bill before the legislative assembly of Quebec at the present time having as its objectives what I am suggesting here. I am sure that bill will be changed before it is finally enacted and I am sure any scheme I might put forward in the committee would be changed.

But perhaps, sir, I should indicate the broad general lines on which I think this could be done practically. Basically the amount of

money would be in proportion to the number of electors. If another reform which is mentioned in the speech from the throne actually does come about, the number of electors in each constituency, of course, is presumably going to be somewhat less uneven than at the present time. But it would be quite absurd to give someone who represented 18,000 people the same amount to spend as someone who represented 225,000, except perhaps in the Mackenzie River or Grand Falls-White Bay-Labrador constituencies where someone representing a very small number of people would perhaps need to have more to cover the area effectively.

So I think two factors would have to be considered. The basic factor would be so many cents or dollars per elector with a division of that sum between the parties and the candidates on some prearranged formula. But I think we would also have to take account of these hinterland areas and there would have to be some special provision made so that candidates in those areas could in fact have the same reasonable access to the electors as candidates in more densely populated areas.

It also seems to me that there would be relatively little difficulty in doing this if there were only two political parties, but I would not argue for a minute, that there should be legislation for only two political parties. I agree with Mr. Stanley Knowles, who was once a very distinguished member of this house, that parliament functions best—I was rather surprised that Mr. Knowles should say this in his book—when there are only two parties; but while we may be approaching that state, though not exactly in the way Mr. Knowles expected us to approach it, we are not going to reach it very quickly. Certainly no member of my party that I have ever heard of, and I would hope no other member of the house, would ever suggest that we should try to limit the country legally to only two political parties. I believe that would be a restriction of liberty that would be quite un-British, if I may put it that way.

It seems to me that if the electors of a country feel they cannot express themselves properly or get representation within the scope of existing political parties they should, if self-government means anything, have the freedom if they want to, to elect people who do not belong to those parties or do not belong to any party. That means that some kind of equitable formula has to be devised in the case where there are third and fourth parties in order to make provision for these parties and also for their candidates. Candidates are much less difficult than parties, I agree, but I do not think this is an insuperable problem.

[Mr. Pickersgill.]

There is another problem, of course, which exists perhaps more in some provinces than in others, but does exist. I refer to what might be called the nuisance candidate, the person who presents himself for election to advertise his business or just out of sheer exhibitionism, or is perhaps somewhat stimulated to do so because his name is exactly like the name of one of the other candidates and it is felt that if he is encouraged to offer himself as a candidate he may deform the results of the election. Of course, I think there are two things that ought to be done about that situation. One of them is that we should require more real electors to sign the candidates' papers and the deposit should be increased. I advocated this change in the committee on privileges and elections without success, though I think there was a lot of sympathy for the view I expressed.

It seems to me that these exhibitionists of one sort or another perform no useful function at all in our society. I certainly would not be in favour of giving them a free ride. I am sure a formula could be devised. I have suggested once or twice it should be 20 per cent of the total vote or 20 per cent of the vote of the successful candidate. I do not think there is anything sacrosanct about 20 per cent. All I say is that no candidate should have his expenses paid unless he gets what you might loosely call a respectable vote, and I would accept almost any definition of any reasonable man or woman as to what that might be. As I say, that is a difficulty. This procedure would certainly make it possible for someone who was an independent candidate, entirely independent of any political party, to represent, as we have seen members in previous parliaments do for long periods of time, important groups of people in this country. No one would want to see them excluded.

I realize that in a very brief explanation of this kind I cannot do any more than give a general idea of what I have in mind. There are just one or two words I have to say in defence of the idea that these expenditures should be paid out of the treasury. I have had some experience in these matters and, although I have never actually collected campaign funds I do not pretend I am entirely unaware of their existence. I am not one of those people who believe that most of the contributors to campaign funds of all parties, with the possible exception of one that is not represented in this house, and I do not mean the Social Credit party, contribute because they really want to further the party and not because of some advantage they are hoping to get for themselves. There are a lot of people who would not agree with that view.

There are many insinuations made about this matter to the effect that contributors to campaign funds really control the party. They are made, I think, by supporters of all parties, but never about their own party. I do not believe really that most of the contributors have that feeling. I am not sure that some of them do not feel they are going to get something out of it for themselves that is not necessarily in the public interest. My point is this: We all know that these expenditures are necessary. We all know that if we are going to have a parliament that is decently representative of the people, these expenses have to be made by candidates and parties. They are really part of the cost of self-government, just as much as the election machinery itself is. It seems to me it is like many of the things that used to be done long ago by charity that are now done by the social services. In this case, we are getting past the point where election campaign funds can be raised solely on a voluntary basis.

Surely, if self-government is worth having, it is worth all of us paying for. It would have this other and final advantage, sir. Every member elected to this parliament, if practically all his election expenses were paid out of the treasury, would undoubtedly have a greater feeling of independence of everyone except his own electors than, at any rate, seems to be the case at the present time. It would remove any suspicion, which is just as important in many ways in these public affairs as anything else, of any member being beholden to any individual or any group in any kind of way except the electorate of his constituency and the people of Canada generally. Well, I think, sir, I have exhausted my time and I have said really all that needs to be said.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I must first deal with one of the points raised by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) in relation to the committee on privileges and elections which sat in 1960 to revise the Canada Elections Act. I must say that I felt that was the most useful and non-controversial committee of which I have been a member in quite a number of years. It is true that we did not all agree on all the subjects that were brought up for discussion. There was, I believe a very definite effort on the part of every member of the committee to approach the problems of the Canada Elections Act in a non-controversial and non-partisan way. I do feel that the committee's work was well done, and this will show up when we next have the act before us.

I have been searching through the minutes of the committee in an effort to ascertain whether or not the hon. member did raise this particular point in the committee. I am afraid I still have not been able to find out whether or not he did. I rather think it was raised, but it was decided not to take any action on it.

Mr. Pickersgill: If the hon. member would like, I can clear that up. I think I raised it as a point of interest but not one that was before us at that time. I did the same thing in the house.

Mr. Aiken: I appreciate that remark, Mr. Speaker, because I was not sure. I was sure that we had not taken a vote on it.

By way of indicating the common approach to problems by members of that committee, I note that on page 41 of the minutes a motion is recorded as being put by the hon. member for Ottawa East (Mr. Richard) and seconded by myself, and agreed to. Farther along, on the same page, there is recorded a motion put by myself and seconded by the hon. member for Ottawa East. Then, I notice there was a motion moved by the hon. member for Bonavista-Twillingate and seconded by the hon. member for Skeena (Mr. Howard). So, as I say, we did have co-operation in this committee.

I do want to say there is some merit in the resolution we are discussing. However, in view of the fact we so recently overhauled the elections act and we are now trying it out, perhaps we should not consider any large revision at this time. We all agree, I think, that we are very close to an election, and I think it is rather late in the day to be suggesting the government should put up some money for the forthcoming election. For that reason, I do not feel we can reasonably approve of this resolution at the moment.

One of the interesting things about this resolution, Mr. Speaker, is that it comes from a member of the official opposition and not from a member of another party. I noticed in going back over the record of *Hansard* for a number of years that the members of the C.C.F. party, up until this year, have been putting forward similar suggestions. They have been decrying the fact that the Liberal and Conservative parties were being supported by big business and were saying, in effect, that he who pays the piper calls the tune. I should like to refer to *Hansard* for July 22, 1958, where the hon. member for Skeena is recorded as saying:

> We all know, I am sure, of the Bible phrase, "Where your treasure lies there lies your heart also."

Then further on he says:

> I am not saying because they make these contributions that any particular party will perform some sort of skulduggery to ensure that legislation passed is in the interests of the people who

make such contributions, but it naturally follows that the party concerned will look upon those who contribute to it as friends and that the legislation it passes will be drafted with this in mind.

Then he goes on:

The general public, in the long run, pays for every political contribution made, whether it be to the Tories or to the Liberals.

I notice that at that time he did not mention his own party.

Later in 1959, when discussing a very similar measure the hon. member for Port Arthur was dealing with the question of contributions to members by political parties and at page 5305 of *Hansard* of June 30, 1959, he is recorded as saying:

If a political party must count upon secret donations of various kinds I think the thought will always remain in the minds of many people that there are possibilities of undue influence.

We also have other examples of this kind of statement. In 1959, when speaking of the Canada Elections Act, the hon. member for Skeena as reported at page 1953 of *Hansard* said, and I paraphrase, that we are entitled to know what elements of society, if any, are attempting to subvert political parties. I just point this out to indicate this is an issue that has been pressed for a number of years by the hon. members of the C.C.F. party, that there should not be any contributions, or at least that contributions to party funds should be small. This principle was carried forward into a bill which was presented year after year, until last year. Now it has mysteriously lost favour with the members of the new party, presumably in view of the fact that they are planning and definitely working towards receipt of contributions through a check-off on union dues.

I just mention that in passing because it indicates that a great deal depends on where you sit in how you view these things. A great deal depends on whether you are the recipient of such contributions or whether you cannot get them.

I agree there should be some limitation on what is required by an hon. member to run an election, but if you start drawing a line where will it end? Where do you draw the line in terms of money figures? Every party has a different approach to every campaign in every riding. Every party has a different approach; and you cannot draw a rule for one candidate in a riding which would apply to another candidate in the same riding. If you tried to do that, instead of helping an hon. member you might be restricting him.

You may have an hon. member who has to contend with an opponent who is very well supplied with money. Maybe the money comes legally, maybe it comes illegally; maybe it is spent one way, maybe it is spent another way; but if large sums of money are being spent to defeat a candidate surely that candidate, if he can, will secure funds to spend an equal amount to hold his seat and try to defeat his opponent?

There is a great deal of merit in the suggestion that is put forward, but I say that for the two reasons I have mentioned, the first being that in such a situation you do not know where to draw the line and the second being that we are shortly approaching another federal election, this would not be a satisfactory time to deal with the matter.

Mr. Walter Pitman (Peterborough): I should like to say a few words on this motion. First of all, may I set the mind of the previous speaker at rest. I do not think it is a very telling argument to suggest that because the party does not put forward a motion it has lost interest in this particular aspect of the problem. I can assure him that the group I am part of would stand by the words he quoted of the hon. member for Skeena and the contribution of the hon. member for Port Arthur. We would still suggest that secret contributions are not the best way of dealing with election expenses.

We still believe in the revelation of all the workings and the financial structures of parties. We still believe this as much as we did before, and therefore I can certainly lend my support to this particular motion. I think it is a good motion and I believe all of us can support it in the sense that it does not suggest any particular change. It simply suggests a consideration and a recommending of means to ensure greater independence to hon. members.

Although it is a little surprising to me that this motion has come forward, nevertheless I think it is perhaps rather interesting and symbolic that it has come forward on the day when elections to the supreme Soviet were announced in the news media. Of course we share popular opinion about this so-called facade of an election whereby people go to the polls to record a ballot for people who have already been hand-picked. It is not so much an election as a verification of candidates; but on the other hand I think we should be concerned that our western, democratic elections should not be in the form of dictatorship. They should not be in the form of dictatorship through news media or control of certain forms of changing opinion in the sense that money does not decide. It is knowledge, integrity, policies and ideas that should really motivate people in recording their votes.

I think we all recognize that an election can be the highest point in our system of

democracy, or it can be the lowest point in that system. All of us are not so naïve and completely ignorant of some of the less respectable aspects of our elections, and I think that statement leaves no doubt in any mind as to what is meant by it. Someone has said that we have a parliamentary system which is a good system in spite of, rather than because of, the way we carry on our elections and I believe this is a matter of some concern to a great many people in Canada.

I notice there has been some concern shown over elections and election expenses in the public press, especially in the national magazines. Just last year Mr. James Scott, the former organizer of the Liberal party, wrote a series of articles in the *Globe and Mail* in which this problem was highlighted.

I do not think this is any time to argue about whose expenses are being gained in a certain way, or who is wrong. The point he made is that all parties should be concerned about this problem of expenses and I believe that the committee proposed would have the advantage of revelation. I do not think there is anything filthy or dirty it is going to reveal. Instead it is going to reveal something very realistic.

I well remember a preacher who once a year would give a sermon, what he called the gospel of gold. He gave this particular sermon every year because he did not want to confuse people with the idea that prayers keep the lights going and fill the furnace in the church. In effect what he was saying is that they had to have money to run a church, and we have to have money to run an election. I think a committee of this sort could put forward some very realistic points which would clear up the misconceptions of people who think that $8 million, $9 million, or $10 million suddenly drop from the heavens in an election year, and we spread this across the nation and elect our candidates. This is an unfortunate misconception which people have. I think it would help all of us in the sense that I am sure everyone of us would like to believe that our parties could be supported by—I am not going to argue this contention today—money coming from government sources. If this were the only money to be used I think this scheme would have some very great merit. Or if it were by contributions openly given by individuals, that would be fine.

I think all of us would like to see our parties run this way. Over the last couple of years there have been a number of articles written on this subject. I do not contend that they are true or false. One was written by Mr. Blair Fraser, and more recently one was written by Mr. Peter Newman, indicating where the money was coming from which went to major political parties, to the party that I represent and to the party which is not at this time in the house. In that article he indicated that large corporations were giving very large donations to the same party. Here again there was nothing dirty about it; he simply said that it was there, and really what they were doing was perhaps paying to establish the status quo, or perhaps they were being blackballed into paying for something they did not really want to pay for. However when we get down to it, you and I and every other taxpayer in the country really pays for the election.

Mr. Woolliams: Mr. Speaker, I wonder whether the hon. member for Peterborough would permit a question.

Mr. Pitman: Certainly.

Mr. Woolliams: The hon. member has already made some comments with regard to how money is raised for elections. Perhaps I do not understand this, but would he deal with the manner in which the party he represents, the New Democratic party, was raising this money. Would he explain that to the house, because I have heard different versions and I may have the wrong understanding.

Mr. Pitman: I will be very glad to explain it to the hon. member. We have been allowing unions which wished to affiliate—locals, not the Canadian Labour Congress—to affiliate by democratic vote within their locals, and any member within the local who wishes to contribute five cents a month can contribute through the means which the union itself decides. This is the method that has been followed. It is completely open; there is nothing to hide about it. That is, as I understand it, what happens. Of course, all memberships of other political parties also collect their funds by this method; that is, by paid memberships to local constituency organizations. I do not think there is anything secret in this; it has been stated many times. To get back to the resolution here—

Mr. MacInnis: Would the hon. member permit another question? Would he not agree that the answer he has just given the hon. member is only a partial one and it does not fully explain the situation in respect to local unions paying into the New Democratic party? I think the situation is in no way democratic, in that the members of the local unions who do not wish to pay into this political party must contract out. If it is democratic, why are not they contracting in?

Mr. Pitman: I think as far as party policy is concerned there is no intention of their

contracting out. I think you will find that each local decides how it will be done. Perhaps the hon. member has a particular beef in his particular part of the country, but it has not come to my attention in my part of the country. Perhaps the hon. member knows more about it than I do in that particular area, but as far as I am concerned I have given the explanation as I understand it.

I come back to the motion again. I do not wish to delay this motion. We are dealing with a period of time when expenses for elections are rising at fantastic speed. The whole area of television and party gimmicks is almost leading parties to bankruptcy, as the hon. member for Bonavista-Twillingate has suggested. I would very much support the setting up of this committee. I would support its attempts to bring witnesses to the committee to discover any other way in which our whole political electoral system could operate.

Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence): Mr. Speaker, I regret very much that the hour has become so advanced before I have been able to get the floor. This is a subject that I came here four years ago anxious to discuss, and I have not on any previous occasion been able to do so. I would like to say at once that what I take to be the nub of this resolution, to limit and control expenditures in the campaigns for the election of members to the House of Commons, has my complete support.

I have been involved in a number of elections and I can think of a number of instances where I would like to have seen efficient methods of controlling and limiting the expenditures in campaigns. As the hon. member who moved this motion has said, in the province of Quebec his party has now put forward a bill to amend the electoral act. I believe it is bill No. 51. I have not had the opportunity of reading that bill, but in my view it is amending an act that is already better than the federal one, and while I give whatever credit may be due to the committee that has amended our own act, in my view they did not go nearly far enough.

One of the methods of paying for election expenditures that I should like to see controlled was epitomized by a gentleman who worked for me in a by-election in 1954 and whose name I will give as Kelly because that was not his name. He became very indignant with me about the method by which I was running my campaign, because he said, "I voted seven times against you last year. Why don't you let me make it even this time?"

Mr. Speaker, he did not do it for nothing. This is the area into which I think we should look for the limiting and controlling of expenditures.

Mr. Speaker: Order. The hour for consideration of private members' business having expired, the house will revert to the business which was interrupted at five o'clock.

BUSINESS OF THE HOUSE

DIVORCE BILLS—REQUEST FOR DELAY IN CALLING ORDER

Mr. R. J. McCleave (Halifax): Mr. Speaker, could I make a request of the house at this time. I think interesting progress is being made in the consideration of better methods of handling divorce bills and could I ask the leave of the house that those bills listed in my name not appear on the order paper this week.

Mr. Speaker: Does the house concur in the request of the hon. member of Halifax that divorce bills be not listed this week?

Some hon. Members: Agreed.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

Canadian Army—

644. Operation and maintenance—further amount required, $35 million.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Harkness: Mr. Chairman, without explanation it might be thought that this vote and the succeeding one would mean that the estimated total expenditures for the Department of National Defence for the current fiscal year were being increased $66 million. This is not the fact. There has already been voted for the Department of National Defence $1,615,637,000. The expenditures for the present fiscal year are actually being estimated at $1,631,857,000, an increase of $16,220,000 over the appropriations already voted. However, because of deficiencies in the vote relating to army operation and maintenance and in the R.C.A.F. capital vote, although there are considerable amounts which would not be spent in other votes, they cannot be applied as far as these two votes are concerned. That

is why it is necessary to request these further amounts as far as these two particular votes go.

I should like to make it very clear that the total estimated increase in expenditure is $16-odd million rather than $66 million as would appear from a casual look at the estimates. The vote under consideration, operation and maintenance for the army, chiefly is required to cover pay and allowances. It arises because of the fact that in August 1961 cabinet decisions were taken which authorized, as already announced to the house, an increase of approximately 10,600 men in the strength of the regular army in Canada. Second, the vote arises as a result of an increase of approximately 1,100 men in the strength of the Canadian army brigade in Europe. The third reason is a special militia training program for training up to 100,000 militia men during the winter of 1961-62, a program which is currently going forward. The fourth reason is the acceleration of various aspects of the national survival program.

Based on an army estimate made in September, which I have previously given to the house, the estimated cost of implementing these decisions is $37,742,000; but because of the surplus which exists in certain other items in this vote it is now estimated that a net addition of $35 million as provided for here is what is required, and that that will be sufficient to complete the expenditures under the army operation and maintenance vote for this present fiscal year.

The present primaries which require supplementary funds are shown on page 14 in the printed details and it will be noted that the major item is pay and allowances which requires $27,120,000 of the total amount required.

Mr. Hellyer: Mr. Chairman, I wonder whether the minister could say out of the $1,631,857,000 that he now estimates will be the total requirement for the department for the fiscal year ending March 31, what amount has been or will be spent for pay and allowances and maintenance and how much of that will have been spent for equipment by the year end.

Mr. Harkness: I would have to make that computation. I can obtain that information very shortly for the hon. member. I believe there are some officials in the gallery who will come down and provide me with that information in the course of a few minutes.

Mr. Hellyer: Another question in the meantime. Could the minister advise the committee what items were in surplus and from what items the funds were taken to make up the survival training course?

Mr. Harkness: As far as this particular vote is concerned there is a surplus in respect of professional and special services, corps of commissionaires and other services of $225,000. Also, under the item relating to telephones, telegrams and other communication services there is an amount of $902,000. Under the item dealing with materials and supplies, fuel for heating, cooking and power generating units there is an amount of $200,000. Under the item relating to medical and dental supplies there is an amount of $125,000. Under the item relating to repair and upkeep of equipment there is an amount of $453,000. Under the item relating to municipal and public utilities services there is an amount of $200,000.

Mr. Hellyer: What I cannot understand from this reply is where the $45 million is coming from which would be required if that amount was not being transferred from other budgetary expenditures.

Mr. Harkness: I am sorry, Mr. Chairman. I thought the hon. member wished to know where the surpluses were in this particular vote. As a result of the surpluses in this vote, instead of having to ask for $37-odd million we need only ask for $35-odd million.

As far as the over-all picture is concerned the surplus is chiefly in the navy and the army capital programs and in the vote relating to R.C.A.F. operation and maintenance. Those three votes constitute the great bulk of what we estimate will be surplus to what we thought we would require when the estimates were prepared well over a year ago.

Mr. Hellyer: When the minister refers to capital programs he is referring to equipment programs, is that correct?

Mr. Harkness: The acquisition of equipment, construction of buildings, acquisition of land, and so on.

Mr. Hellyer: Is it correct to say that the acquisition of new equipment has been reduced in order to make money available for pay and allowances and housekeeping?

Mr. Harkness: No, Mr. Chairman, and we cannot transfer one from the other. That is why we are here asking for this vote at the present time. If we were able to transfer from the capital vote to the operation and maintenance vote what we would be asking for at the present time, instead of the $66 million that is provided between the two votes is $16 million.

Mr. Hellyer: That is correct, but of the total defence appropriation for the year the proportion which is now going to be spent for equipment is considerably reduced over

that which was indicated last September, and the proportion which is being spent on pay and allowances and housekeeping is being materially increased. I wondered whether the minister could now indicate just what the strengths of the forces are and how close they are to the new ceilings which were authorized last fall.

Mr. Harkness: In regard to the first point I think I should make it clear again, Mr. Chairman, that the bulk of the shortfall, we will call it, which is now estimated, is in the three votes, namely in the operational maintenance vote which is not equipment for the R.C.A.F.; in the capital vote for the navy, and that is due to a considerable extent to slower deliveries, as far as naval vessels are concerned, than it was estimated would be the case; and finally in the capital vote as far as the army is concerned. A good deal of this or—perhaps I had better wait until I get the figures—a proportion of it at least is due to smaller spending on the acquisition of land and construction of buildings than we had estimated would take place.

Mr. Winch: I should like to ask a question on vote 644. In the details on page 14 I note there is an item for food supplies. I should like to ask the minister whether he would mind giving the committee the understanding with regard to the supplying of food to the Canadian forces overseas. I understand that all the food supplies for our forces overseas come through British ordnance. I should like the minister to tell us whether there is any kind of understanding or agreement with British ordnance which supplies our troops as to the food in any respect whatsoever. I ask that question for this reason. In going through the ordnance depots of our military establishments last fall in France and Germany I must say that I was rather intrigued when I noted that the butter came from Belgium, the meat from Australia and New Zealand, the powdered eggs from Formosa, the canned vegetables and fruit from the United States, the canned salmon—horror of horrors—from within 50 miles of Vancouver it is true, but from Bellingham, Washington, U.S.A. Then, the cheddar cheese, of which we have a few million pounds in Ontario, came from South Africa. I could just keep on and go down the list.

However, in the ordnance plants you could see all this. When I thought of the hundreds of millions of dollars this House of Commons votes in subsidies for agriculture produce and of the need for markets; and when I thought of all our butter, the plight of our poultry producers and that of many of our growers, I just could not help wondering whether there were not some arrangements with the British ordnance supplying food for our troops as a result of which they might perhaps get some of the high quality production of Canada.

Mr. Harkness: As I think is well known, our army brigade group in Germany is on the British supply line. We draw all our supplies of food from the British base units line of supply and so on. They secure all their supplies, as I think the hon. member is aware, by what you might call competitive marketing in all of the markets of the world. Naturally, they get these supplies at the cheapest rates at which they can get them. This of course is one of the ways in which Britain has maintained herself as a trading nation for so long. For us to set up a separate supply line of our own would be a completely uneconomic proposition. We have not a sufficient number of troops to justify the whole supply set up which would be required and it would cost enormously more to try to supply our troops with Canadian food products in that way than it costs by taking supplies from Great Britain. As I stated before Great Britain buys in all parts of the world and at the cheapest prices. This lack of Canadian agriculture products in that British supply line is a reflection really of the fact that Canadian prices for agriculture products are higher than those in most other parts of the world, practically. The farmer here is getting higher prices for his butter, eggs, hogs and so on, by and large, than is the farmer any place else in the world. For that reason you find in the British supply line very little in the way of Canadian agriculture products.

Mr. Winch: All I saw was canned peas. That product was the only thing I could find.

Mr. Harkness: If the hon. member went through the Maple Leaf service store he would find in it a good proportion of Canadian canned goods. That store, of course, is a non-public funds operation and the particular taste requirements of the Canadian personnel are taken into consideration in that store. You have a good range of Canadian products in the Maple Leaf service store, but in what we draw for general rations there is very little, for the reason I have indicated.

Mr. Hellyer: Does the minister now have the answer to the question in respect of the percentage of the total allocation for equipment?

Mr. Harkness: Yes. There is an estimated shortfall of $20.8 million in the air force operation and maintenance vote, a shortfall of $19.82 million in the navy capital vote

and a shortfall of $5.8 million in the army capital vote. In D.R.B. there is a shortfall of $3.4 million. Then there are other smaller amounts. I gave the hon. member what the shortfall was in the particular vote we are considering.

Mr. Hellyer: Can the minister now say what the strength of the army was in September 1961 and what it is at the present time?

Mr. Harkness: My officials are just working out those figures for me and I have not obtained them yet.

Mr. Winch: This vote is the only place that I can ask this question. May I ask the minister to inform the house what the agreement is between his department, or the government, and the United States or NATO having regard to the fact that this year construction is to go ahead on the building of the ammunition dumps for nuclear warheads on the Canadian bases, with American guards, according to the information we have received. Can we have any information from the minister on that matter? I understand that construction is to be proceeded with this year.

Mr. Harkness: As far as the army brigade area in Germany is concerned, the hon. member has been there. He knows that these camps are placed close to German towns and in the German countryside, with a considerable amount of space between the different camps. In that area certain of these facilities are being built. Of course, none of this land belongs to Canada or anything like that.

Mr. Winch: Just at our bases?

Mr. Harkness: As far as I am aware, they are not being built actually where our barracks are, although they might be fairly close to them. I do not know the exact locations. However, my understanding is that they are not being built in the actual barrack areas that we are occupying.

Mr. Hellyer: Now that we are into this subject, will the minister tell the committee whether, in his opinion, it was a military necessity that Canada equip and send an Honest John missile battery to the brigade group in Europe?

Mr. Harkness: It was considered the wise and prudent course to follow. It certainly was in accordance with the requirements and desires of NATO supreme headquarters.

Mr. Hellyer: Is it not a fact that the Canadian brigade group will be fighting—if fighting occurs—with a larger unit, and that the larger unit includes certain elements of the British army which could supply nuclear reinforcements if necessary?

Mr. Harkness: There are various ways in which the army brigade group may be employed. In fact, a variety of plans exist, and in some cases they would be employed with units of the British army and in other cases not.

Mr. Winch: While we were visiting the camps, and I appreciate the courtesy we were shown, we were given to understand that in all probability the air force will have the CF-104 late this fall and the minister has also mentioned now one group which is trained in the use of the Honest John. Is this equipment being supplied? Are these men being trained without any official decision as to the ammunition to be used by these weapons?

Mr. Harkness: The S.S.M. battery, of course, has received quite a long period of training. A considerable number of men from that battery went to the United States to take courses there and then they came back and trained the remainder of the battery here in Canada. That training is continuing in Europe. The operation and possible employment of the battery are being integrated in the general brigade training which is now taking place.

Mr. Winch: Yes, but they are in Europe and they have this equipment. They are there for a certain purpose. Is there an understanding that they can make use of these weapons if the necessity arises or are they just sent over there with the weapons but no ammunition?

Mr. Harkness: They are over there, as I say, in order to be integrated into and carry on training with the brigade group and thus to be in a position if an emergency develops so that they could be employed.

Mr. Winch: In other words, actually what all these words mean is that they will be supplied with nuclear warheads or equipment? That decision has been reached?

Mr. Harkness: No, I did not say anything of the kind.

Mr. Hellyer: The minister said that in his opinion it was prudent that the Honest John battery should be there. Does he not then feel it is prudent that the weapons should be equipped with nuclear warheads so that the battery would be of some use if required? I am sure the minister is not trying to create the impression that our troops are there merely for training purposes, although that is part of their duties. They are there to resist aggression if required, and surely if nuclear weapons were to be used in order to resist aggression it would be necessary to have the warheads immediately available. Has a decision been made to use them under those circumstances?

Mr. Harkness: We consider the situation to be quite satisfactory as it is in view of the general situation in Europe at the present time.

Mr. Hellyer: Is there any agreement? Is there any commitment? When these forces are to be at the disposal of the NATO command, surely there must be some understanding or agreement, implied or otherwise, which is the basis for their being there. Would the minister explain to the committee what it is, because I think the committee is entitled to know, when it is being asked to vote funds?

Mr. Harkness: There are no funds being asked in this particular vote for the purpose just indicated and, as the hon. member well knows, the general situation with regard to nuclear arms as far as NATO is concerned is a matter which has been under discussion now for some considerable length of time and no agreement has yet been reached in that regard.

Mr. Hellyer: If I may deal with the second point first, if it is true that no agreement has been reached, how soon does the minister feel it is necessary that an agreement be reached? With regard to the other point, that no funds are being sought for the brigade group in Europe in this vote, surely the minister is not informing the committee that no part of these funds will be used for the pay and maintenance of army personnel serving overseas.

Mr. Harkness: That is not what I said. What I said was that none of the funds being asked for here are for nuclear weapons or anything along that line. This is a straight operation and maintenance vote and naturally some part of it would have to do with the pay of the some 220 odd members of the S.S.M. battery.

Mr. Hellyer: I think that is quite correct; but surely that is the reason that we are entitled to ask these questions. Why should we pay troops overseas to maintain a battery which is ineffective? The minister should tell us what plans he has for this particular unit. Does he intend to make it effective by providing it with warheads for its missiles or does he intend to leave it there in perpetuity and expect this committee to provide funds year after year for the maintenance of an ineffective and useless battery?

Mr. Winch: I wonder whether the minister would comment on what I understand to be the situation. My information is that since about the middle of last summer there has been a decided change in viewpoint among many of those who are in control of defence policy, including the supreme allied commander of the NATO forces and NATO headquarters itself. From all I have heard, and I have heard quite a bit from SHAPE and SACEUR, there is to be a concentration more than ever before on highly trained mobile forces with conventional weapons, and the NATO analysis of any possible conflict in Europe is that it would arise by the probing of conventional forces which would have to be met by highly mobile and highly trained conventional forces. In view of the fact that these are the opinions which have been expressed now for almost a year by the supreme allied commander and NATO headquarters in Europe, could I ask the minister if this is the field of defence activity that he envisages for the Canadian forces operating under NATO. If he agrees with these pronouncements and that analysis, then why do we have this Canadian rocket force in Europe?

Mr. Harkness: Contrary to the opinions expressed by the hon. member, there has been no basic change whatever as far as SACEUR's general plans and concepts are concerned. The NATO shield force, SACEUR has been saying for years, needed to be improved in strength and mobility, and his aim has been to have as highly mobile, flexible and strong forces as possible. In public speeches for several years past he has been urging all of the countries in NATO, who were behind in their commitments as far as his forces in Europe were concerned, to bring these forces up to what are known as the force goals. There has been no general change whatever in the concept that I am aware of. It remains essentially the same as it was. There has been an increase in the strength of the forces and in their mobility because of the fact that the United States has moved in considerable numbers of troops. The German army has also come along fairly rapidly in the last year or so and there are now more French troops than there were. This has all increased the general strength. Some of these troops have received a good deal of new equipment which has increased their mobility and their hitting power.

Mr. Winch: If that is correct, then all I have to say is that it certainly strikes me as being different from all the briefings that the Canadian delegation received when they were given the privilege of being briefed by Canadian, United States and West German officers. In particular, statements were made in public, not in camera, in Paris at the opening of the NATO parliamentary conference. There was no hesitation whatever in stating that stress should now be placed on highly mobile, highly trained brigade forces

equipped with conventional weapons. I am certain that I can listen to what an officer says and understand it. This is not only what we received from military sources, but was the point of view expressed by the leaders of almost every delegation from the various countries represented at that conference. I do not think I am too far wrong in my expression of that view.

Mr. Harkness: I believe, Mr. Chairman, that the hon. member has misinterpreted the briefings he received. As I said a few minutes ago, SACEUR and the NATO council for several years have been putting on the pressure for all countries to bring their forces in Europe, both conventional and other forces, up to strength. In the last year or two years, there has been a considerable increase in these forces. Therefore, SACEUR, the supreme commander in Europe, is not so completely dependant on nuclear weapons to stop any attack as he was two years ago. But this has always been the aim; there has been no basic change whatever.

Mr. Matheson: I share the views of the hon. member for Vancouver East, and I suggest that to some of us it is inescapable that there has been a major change. I should like to ask the minister if he would consider, for example, the article appearing in the Ottawa *Citizen* of January 22, 1962 carrying the headline, "United States Shifts Defence Policy." Now, let me touch on that defence policy for a minute. There was a statement made by secretary of defence Robert S. McNamara—

Mr. Harkness: Mr. Chairman, I rise on a point of order. We are dealing with a specific item here concerning the operation and maintenance expenses of the Canadian army. If we begin to talk about United States defence policy and defence policy in general, then I submit we are completely out of order. The debate should be confined to the item on which it started, the item which is under discussion.

Mr. Matheson: Mr. Chairman, I understand that we are debating the estimates for the Canadian army and it is in that that I am precisely interested. I point out to this committee that on January 19, 1962, one of the experts in the field, Robert S. McNamara, appeared before a Senate committee on the armed services on the fiscal years 1963-67 defence program and 1963 defence budget. At this time he announced major changes that affect us and affect our army.

One of the things that he said was that there has been a major defence—

The Chairman: Perhaps the hon. member would speak to the point of order first raised by the Minister of National Defence.

Mr. Chevrier: I should like to speak to the point of order. I should like to bring this to your attention. I say respectfully that the minister is completely out of order in making the suggestion he has. After all, what the member has a right to do is to say what the policy in the United States is and what the policy of the United States secretary is in so far as those policies affect Canada. This is what the hon. member for Leeds is trying to do. It may well be that the statements which he will make will be embarrassing to the minister in some respects. Of course, that is not our fault if that be the case. Surely, the hon. member is bringing other witnesses to his assistance, and that is done every day during discussion of the estimates. I submit to you, respectfully, the hon. member has a right to do what he is doing now.

Mr. Harkness: On the point of order, Mr. Chairman, I would submit that a general debate on defence, so far as these estimates are concerned, has already taken place. What we are calling for is further sums for a particular purpose and the debate should be confined to what those particular sums are and the purposes for which they are being asked. There should be no revival of the general debate on defence which I maintain would be completely out of order.

As a matter of fact, if in the consideration of these estimates and all the other supplementary estimates, there is going to be a general policy debate on all the departments concerned, then it would rapidly become impossible to carry on the business of this parliament. Parliament would cease to be able to operate if, during the consideration of every supplementary estimate, a general policy debate took place. This is the sort of thing we have had here for the past 14 days. If this sort of thing is allowed to continue, then I submit it will destroy the usefulness of parliament. Parliament would not be able to operate under those circumstances.

Mr. Chevrier: I just want to bring to your attention the point which the Minister of National Defence has brought forward. Apparently the minister was not here the other day when a disposition was made of that point. We were discussing, under item 636, vocational training under the Department of Labour. One of the ministers, the Minister of Mines and Technical Surveys, raised exactly the same point as the Minister of National Defence has raised in respect of this item. I think I am safe in saying that on the question of principle it was clearly determined, clearly decided, that on an item of this kind we had a right to discuss the question of principle, and the Chair so held.

We went on to discuss it because, not only did hon. members on the other side of the house introduce the debate, but it was continued by hon. members on this side of the house. It would be contrary to equity, in my opinion, if it were not possible to determine and discuss on a supplementary item the question of principle; and that is exactly what is being asked here.

Mr. Hellyer: May I speak to the point of order? If the minister thinks we are going to pass lightly the authorization for $60 million without going into the pros and cons and the use to which the money will be put, he is sadly mistaken. Just about every principle having to do with defence and defence policy or lack of defence policy on the part of this government is raised by these items. The discussion includes the training of people for national survival, and we have to find out what the relationship is between these people after they have finished their training and the Department of National Defence or whether, in fact, it is just a make work program to bring down the unemployment figures in this country. The item raises the question of nuclear and non-nuclear forces in Canada.

Mr. Harkness: It has nothing to do with that.

Mr. Hellyer: It certainly does have, because you have committed millions of dollars in these estimates for the acquisition of equipment which only reaches its maximum potential when armed with nuclear weapons; that is what you are asking this committee to do. You are asking us to go along with the drift of your department or your government. You want more funds for atomic carriers when you have not even made up your mind as to whether or not you are going to use them, and that is quite a bit of nerve on your part. You should listen very carefully to the debate and try to give a little additional information so that we have more light on the subject and we can judge intelligently as to whether or not these funds should be voted.

Mr. Chambers: May I refer you to citation 239 of Beauchesne's fourth edition, Mr. Chairman? It states:

> The whole management of a department may be discussed in a general way when the committee of supply is considering the first resolution of the estimates of that department which reads as follows: "General Administration"—

The Chairman: What page is that?

Mr. Chambers: Citation 239 on page 201, Mr. Chairman.

> If however the words "General Administration" cover all the expenses to be incurred during the year, as shown for instance, in the Post Office estimates, it is relevant then to criticize every phase of the department totally or in detail without evading standing order 59(2) which sets forth that speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

We considered the item of general administration for the Department of National Defence when the main estimates of the department were before the committee.

According to this citation and standing order 59(2), this not being the item of general administration but a particular item, it is not permitted, as I read the citation and the standing order, to enter into a general debate and the discussion must be strictly relevant to the items listed in the vote.

Mr. Pallett: The hon. member for Laurier suggested that a ruling was made on this point just the other day. So that there will be no misunderstanding, Mr. Chairman, I would refer you to page 1792 of *Hansard* of March 14 in which your ruling was given at that time. You said at that time, with relation to a point of order raised by the Minister of Mines and Technical Surveys, that the debate should be on the item listed and that the hon. member for Essex East, who was then speaking, was merely laying the foundation. There was no suggestion by you, Mr. Chairman, that this item of a particular nature enabled a broad policy discussion.

Mr. Martin (Essex East): Read the whole thing and you will see where you are wrong.

Mr. Pallett: The hon. member for Essex East is supposed to be able to read.

Mr. Hellyer: The parliamentary secretary read the wrong citation. I would refer Your Honour to citation 240, at page 202, which I would like to read.

> Supplementary estimates, when treated as customary and as a matter of course, instead of being restricted to occasion of unforeseen contingencies, do more to destroy effectual parliamentary control than any other indirect method that could be devised. They are, however, for one service or another annually recurring necessities. They may be presented either: (I) for a further grant to a service already sanctioned and voted for, or (II) for a grant for a further occasion of expenditure arising where the estimates were presented: (a) for expenditure newly imposed on the executive by statute; (b) to such an unexpected emergency.
>
> It is extremely difficult to make a close forecast of the amount which will have to be provided.
>
> The introduction of supplementary estimates of any considerable amount is really a breach of contract between the government and parliament, for when this is done the budget statement is destroyed, and in effect a supplementary budget is set up.

I contend this is a breach of contract on the part of the government. These are substantial expenditures, $60 million on these two items alone for national defence. I contend that in effect a new supplementary

budget is set up, and in accordance with the traditional practice of parliament, both in Westminster and this house, when a supplementary budget is set up debate is unlimited and can range through the whole course of policy relative to and related to the items under discussion.

The Chairman: There has been quite a bit of discussion on this point of order. I certainly admit it is an important point of order but to my mind the situation is well set out in May's sixteenth edition on page 738, which reads as follows:

> Debate on supplementary and excess grants is restricted to the particulars contained in the estimates on which those grants are sought, and to the application of the items which compose those grants; and the debate cannot touch the policy or the expenditure sanctioned, on other heads, by the estimate on which the original grant was obtained, except so far as such policy or expenditure is brought before the committee by the items contained in the supplementary or excess estimates.

The question that must be decided is: does the item before the committee raise the question of policy in regard to nuclear armament? Now we have under the main item of national defence, the vote that was passed, vote No. 232, departmental administration, which is the item under which the general policy of the department may be discussed. So far as discussion on supplementary estimates is concerned it must be restricted to the particular items covered by them, and the hon. member for Leeds has not yet explained to me how the matter that he is bringing before the committee is related to this item. Unless that relationship is established I feel that the discussion ranges outside the item, and therefore should not be taken up right at this particular instant.

Mr. Winch: May I have a word on that very point, Mr. Chairman. If you will just look over what you have referred to, that is vote 644, you will see under that "pay and allowances," "food supplies," and "travelling and removal expenses." It was stated by the minister that one of the reasons he had to bring in the supplementary estimates was because of the additional forces that have been sent overseas under the NATO command. Therefore if the money we are asked for now is due to the additional cost of sending these extra men over under NATO, surely the question of their equipment and role under NATO is a matter which is pertinent to this very supplementary vote.

The Chairman: I agree with the hon. member for Vancouver East in so far as that goes, but I do not think the whole matter of nuclear policy is pertinent to the vote.

Mr. Winch: One gun is policy.

Mr. Matheson: In the pamphlet distributed by this department, called "Canadian Defence Policy, 1960," we have this statement:

> Therefore, we must not consider our defence effort in isolation but, rather, one should look at the general effectiveness of the defensive alliances—

I put it to you, Mr. Chairman, that one cannot sensibly and realistically consider any vote to our Canadian army as a vote to that army alone without thinking of where it fits in with these defensive allies. I put it to the committee that if a major change has in fact taken place in the official thinking of some of our chief allies on this matter then it is important, it is germane to the vote under discussion at the present time, that we consider what kind of army we are maintaining.

Some of us wonder how much of an overhead we have for four brigade groups and, in fact, the number of groups we have scattered in different places. I have been told that there are 13 headquarters and I would like the minister to tell us how many people are actually on headquarters staff. So far as I know there has not been an army list published since 1939, and it is incredibly difficult for us in the opposition to get any kind of answer from this department with respect to where troops are and what they are doing.

We understand the importance of security in these matters, but there are some other things that are also important. We are part of the NATO alliance. That means we have certain strong allies such as the United States, the United Kingdom, France, Belgium, West Germany and so on. We know that some of them are equipped to take on certain tasks, and our largest and most powerful ally, the United States, has come to some profound change in its thinking, a change which very definitely affects us. We also understand that there are no two countries going to do exactly the same thing in this NATO alliance, and it is meet and proper that they be different.

We have the nuclear power of the United States, United Kingdom and France, and we know that two of these countries have had certain relationships with other countries that were formerly colonies. That puts them in a special position with respect to so-called neutrals at the present time.

Mr. Harkness: On the point of order I raised previously I must direct your attention, Mr. Chairman, to the details of this vote which we are considering which are to be found at page 14.

You will see that they do not have any relationship to all these matters of general defence and foreign policy which he is attempting to debate. All that is dealt with here

are civil salaries and wages, pay and allowances, professional and special services, travelling and removal expenses, exhibits, advertising, films, and so on, materials and supplies such as clothing and personal equipment, food supplies, and the repair and upkeep of buildings and works.

Those are the sort of things that we are dealing with. We are not dealing in any way with general defence policy and general foreign policy, which is what the hon. member is talking about. I maintain that discussion of that kind on these particular items is completely out of order and completely contrary to the rules.

Mr. Martin (Essex East): Mr. Chairman, may I ask the minister a question. Does the provision "pay and allowances $4 million" apply in part to Canadian forces serving under NATO?

Mr. Harkness: Yes.

Mr. Martin (Essex East): Well surely that answer should conclude this whole matter.

Mr. Harkness: That has got nothing to do with general defence policy or foreign policy.

Mr. Martin (Essex East): Why not?

Mr. Chevrier: On the point of order, Mr. Chairman, I think the point of order was determined at least two days ago. I tried to bring that to Your Honour's attention a moment ago. On vote No. 636, technical and vocational training, after there had been a discussion for a long period of time by those of us who sit on this side of the chamber on the question of education in the province of Ontario and in other provinces, the Minister of Mines and Technical Surveys rose to try and stop the hon. member for Levis discussing a matter which concerned the province of Quebec. He said exactly what the Minister of National Defence said just now, that on a question of principle it was too late to discuss these matters. I do not know whether or not Your Honour ruled on that occasion—I thought Your Honour had ruled—and we went on and discussed it afterwards for quite some time. So having decided, in effect, if not by a formal decision, that this could be done on another vote, surely it can be done on this vote. That is my respectful view.

Mr. Hellyer: On the point of order, Mr. Chairman, surely the question of alternatives is relevant. The minister, for example, would not contend that the opposition has no right to suggest that some of the fat should be trimmed off the army; that perhaps we have too many headquarters, too many brass—

[Mr. Harkness.]

Mr. Harkness: I am not suggesting anything of the kind.

Mr. Hellyer: —and that some of the money could be saved for some of our needed equipment for our fighting men. Surely the minister does not suggest that. If he does suggest that, he has changed so much from the time when he sat on this side of the chamber and before he moved to the other side of the chamber that he is scarcely recognizable. At that time he said he thought it was extremely pertinent to discuss the top heavy personnel of the army structure and ways in which the top fat could be trimmed off so that we could save money. With this in mind, I think the minister is quite out of order in suggesting that we do not have the right to discuss alternatives as to how the money should be spent.

The Chairman: Again I must remind the committee that we are not on item No. 1 of the department, general administration; we are on a subheading concerned with particular sums that are being used for particular purposes.

Mr. Pickersgill: For the army.

The Chairman: The rules of this house are quite explicit on that. Rule 59, subparagraph 2 deals with it. There are citations in Beauchesne, there is the quotation that I have given from May, and the hon. member for Laurier referred to the practice that was adhered to last week in this committee. In making my ruling then I did mention that I would caution the hon. member that—

Mr. Chevrier: What page?

The Chairman: Page 1861 of *Hansard.*

—as the minister has well pointed out, the rules of relevancy must be adhered to and he must correlate his remarks to the particular item.

I allowed the debate as a premise to discussion on the item and I directed the discussion toward the item. I think the same ruling should apply again and that the hon. member who has the floor could correlate his remarks to the particular item in a manner that is precise and specific, and he should not embark on a discussion on general policy. That, I think, is the only ruling I can give in regard to the rules and the practice of this committee.

Mr. Benidickson: Mr. Chairman, I am sure I do not need to draw your attention to the importance of this item as a supplement to perhaps the largest item for the whole year in the main estimates. I refer to page 46 of the estimates of 1961-62 which concern the Canadian army operation and maintenance. I am sure, Mr. Chairman, that you would not

want to cut off any discussion that was supplementary to a parliamentary vote involving $359 million.

Mr. Pickersgill: Now being increased by 10 per cent.

Mr. Benidickson: This is a supplementary item increasing the amount of the vote by $35 million. I draw Your Honour's attention to the fact that, unlike most items in the estimates, we have under the Canadian army in the main estimates only two items, but they total $420 million and here we are asked many, many months after we have observed government policy, to vote an additional amount of $35 million for the Canadian army.

Surely in a democracy, having regard to this percentage of our total demands on the taxpayers of this country, we are entitled to have a fairly wide discussion about expenditures particularly concerning the Canadian army. I am sure that in your fairness, Mr. Chairman, you would not deny that.

If one goes to the details on page 14 of the supplementary estimates No. 3 he will see the reason for the observations that I am making at this point. I say that there is nothing more important at this time, having regard to the concern on the part of the taxpayers that we are not doing our duty in scrutinizing some of these expenditures, than looking at these items when they involve vast expenditures amounting to $359 million in the main estimates and another $35 million in this supplementary estimate attached to the main estimate.

I say that having regard to that and looking at all the other smaller estimates in supplementary estimates No. 3, surely the tolerance of the Chair will be given to the committee to make sure that the taxpayers' rights are properly taken care of in this matter.

Mr. Matheson: Mr. Chairman, on March 15, 1962 when the hon. member for Bonavista-Twillingate was speaking, the chairman made his ruling. I am reading from page 1861 of *Hansard*:

> —with regards to the remarks upon which the hon. member for Levis was embarking I would point out that he was speaking about the principles of joint programs. This is a joint program and if he relates his remarks on joint programs generally to the joint program that is now under study, then to my mind he is fairly well within the realm of relevancy. I do not feel inclined to stop him at this stage—

Mr. Pallett: Would the hon. member read the rest of the paragraph, to complete the ruling the chairman gave at the time. He would not want to leave it up in the air, half finished.

Mr. Browne (St. John's West): He should finish the sentence anyway.

Mr. Pallett: He should finish the sentence at least.

Mr. Chevrier: His Honour has just read it.

Mr. Matheson: Mr. Chairman, my time is limited and I would like to address myself to the operation and maintenance of the Canadian army particularly as it applies to a joint program with particular NATO nations when certain circumstances have materially altered since our last deliberation with respect to defence. I think it is proper and germane that we mention this when we have additional pay and allowances of $4 million, and further pay and allowances totalling $23,120,000 together with travelling and removal expenses of $1.5 million. Our Canadian army is obviously not an army by itself. We on this side of the house have tried over a period of months to elicit the facts about the army from hon. gentlemen opposite. We do not know much about it. There is much information known only to the minister and his parliamentary secretary and probably not to many others. I suspect that for the number of fighting troops there is a grossly overweighted headquarters. We do not understand why there are so many headquarters in our military establishment. We do not know all the facts nor can we find them out. Searching the parliamentary library we find ourselves limited, naturally, with respect to the literature published by the department although we have not been at war for several years on a large scale.

I put it to the Chair that there have been substantial changes of policy on the part of our principal allies, particularly the United States and the United Kingdom. These announcements have taken place particularly since January, 1962. These changes compel us to ask the committee to consider whether or not the expenses which at one time we were appropriating are now applicable. I ask the Minister of National Defence whether in light of the fact that our two most valued and trusted allies indicate the need for a substantially stepped up conventional army it is necessary in these circumstances that we review whether or not the expenditures in the direction of nuclear deterrents are proper and relevant.

Recently in the United States the statement was made that there must be greater emphasis than in the past given both by ourselves and our NATO allies to non-nuclear forces. Mr. McNamara speaking with the confidence of the president—and at a number of conferences President Kennedy has repeated virtually the same thing—

Mr. Churchill: On a point of order, Mr. Chairman.

Mr. Martin (Essex East): What is wrong with this?

Mr. Churchill: I will tell the hon. member for Essex East, who should be an upholder of parliamentary usage and custom rather than one who is tearing it down, what is wrong with it.

Mr. Pickersgill: The minister is trying to impose closure.

Mr. Martin (Essex East): Mr. Chairman, I rise on a question of privilege.

Mr. Harkness: My colleague is speaking on a point of order.

The Chairman: The Chair recognizes the hon. member for Essex East on a question of privilege.

Mr. Martin (Essex East): Mr. Chairman, the minister says that instead of joining in this chorus of what he calls destruction I should be an upholder of the rules of the house.

Mr. Jones: You certainly should.

Mr. Martin (Essex East): The hon. gentleman has given expression to an observation that he should be asked to withdraw. The minister said that I have engaged in a course of tearing down parliamentary usage and custom—

Mr. Harkness: And so you have.

Mr. Martin (Essex East): The Minister of National Defence accuses me of this, too. Let me tell the hon. gentleman that the people who are tearing down parliament are those who are sitting on the government side of the house.

Mr. Pickersgill: Trying to impose closure.

Mr. Benidickson: The taxpayers want to know how the money is spent.

Mr. Martin (Essex East): We have heard an observation which we might have expected from the Minister of National Defence, but it is surprising to hear from the leader of the house who is supposed to guide us in procedural matters a statement to the effect that I have contributed to the tearing down of parliament. I ask you, Mr. Chairman to invite the hon. gentleman to withdraw that remark and in asking Your Honour to do that I would ask the minister to look at my record alongside his and see who is tearing down the parliamentary institution.

Mr. Churchill: All we have to do is look back at 1956, if you like.

Mr. Martin (Essex East): Will the minister not be seated? Will the Chair not be allowed to say something?

[Mr. Churchill.]

The Chairman: I will now hear the Minister of Veterans Affairs on a point of order.

Mr. Churchill: Mr. Chairman, if the hon. member for Essex East has become supersensitive over these expressions I will gladly withdraw that comment about tearing down the institution of parliament. But I would say that the hon. member is not contributing to the maintenance of the procedure of parliament and the usage and customs which prevail here.

My point of order is this. The hon. member who was just speaking on this item was wandering far afield. That is what is destructive of the consideration of the supplementary estimates. Although Your Honour has read—

Mr. Pickersgill: Read the debates of 1956. And you dare to get up and say that?

Mr. Jones: I truly hope you remember the debates of that year.

Mr. Churchill: I hope hon. members opposite will remember black Friday.

Mr. Pickersgill: We had black Friday last Friday, and you moved the motion.

Mr. Benidickson: Black Friday again.

The Chairman: Order. I think it would be interesting to hear the minister on the point of order, which is the only question before us at this time.

Mr. Churchill: I think it is important that we observe the rules. Only by doing so can the affairs of an institution like this be properly conducted. I believe it is important to record these words which are to be found at page 738 of May's sixteenth edition on parliamentary practice. They are to be found approximately three quarters of the way down the page:

> —if the supplementary estimate is merely to provide additional funds of a relatively moderate amount required in the normal course of working of the services for which the original vote was demanded, only the reasons for the increase can be discussed and not the policy implied in the service which must be taken to have been settled by the original vote—

It is just common sense on supplementary estimates to restrict our discussion to the matter which is concerned with that supplementary estimate and not to debate the general policy of the whole department. Otherwise we would spend our time here engaging three or four times during the course of a session in repetitious discussion of policy matters.

Mr. Pickersgill: Not if you had good estimating.

Mr. Churchill: I would request the Chair to invite the hon. member who was speaking to restrict himself to the supplementary

estimate which is before us on the basis of this rule of procedure which I have read from May.

Mr. Benidickson: Mr. Chairman, I wish to reply to the leader of the house on the point of order. As I wrote down his remarks I believe he referred to a relatively moderate amount. We are dealing with an amount of $35 million.

Mr. Pickersgill: Exactly.

Mr. Churchill: What percentage is that of the total vote?

Mr. Pickersgill: Ten per cent of the original estimate.

Mr. Benidickson: In disdain the Minister of Veterans Affairs who is leading the house asks what percentage is that of the total amount of $7.4 billion that the government is asking the taxpayers of this country to pay. I wish to remind him that the minister often chided one of his eminent Liberal predecessors, a man who vastly increased the economy of this country, for having said off the cuff, "what is a million compared with receiving another $10 million or $20 million out of it?" The minister disdained that. He says $35 million is a relatively moderate amount.

At page 15 of supplementary estimates No. 3 which are before us we see reference to pay and allowances for the army. Referring back to the current item in the main estimates for 1961-62 we find under the item relating to the Canadian army a tremendous amount appropriated for operation and maintenance and pay and allowances. I say we are entitled in this committee to deal with any operation of any employee who will be paid under this vote. The sum of $35 million is involved in this vote for pay and allowances of members of the army. I say we may discuss policy and have the right to say that certain people are not properly employed.

The Chairman: Before the hon. member for Leeds continues I would like to recall to hon. members that, after all, the rules are made for our guidance. I believe it was the hon. member for Bonavista-Twillingate who recently said this is a free parliament. Our rules were made by a free parliament and they have been accepted. It is only by all members accepting the rules that intelligent discussion can take place and progress can be realized.

I believe there are 96 items listed in the supplementary estimates. I think all of us understand that if every item listed in the supplementary estimates were to give rise to a discussion of policy and general affairs we would not be devoting our time to the business for which this committee has been set up. I would therefore ask the hon. member for Leeds, who has tried to co-operate, to continue to correlate his remarks and not to get into the subject of broad policy. There is a distinction between broad defence policy, nuclear policy and so on and the more restricted interpretation of policy inasmuch as it applies to the pay and allowances of Canadian military personnel. I think that within that frame he can validly and completely discuss the item under consideration. I should very much like him to restrict his remarks.

Mr. Benidickson: What about the much misjudged civil defence?

Mr. Harkness: Go ahead and talk about that.

Mr. Martin (Essex East): No. We cannot do that.

Mr. Matheson: The minister has referred to a relatively minor vote of $35 million. In my innocence I felt that with a population of eight and a half million, this is a relatively substantial item.

Mr. Chevrier: The hon. member means eighteen and a half million people.

Mr. Matheson: Yes, eighteen and a half million people. May I say that the really serious situation that we see is that Canada can spend in the wrong direction such large amounts that actually we lose for our army any flexibility, any opportunity to develop, change, expand or keep up with the times or actually fulfil this very special purpose which our NATO allies would assign to us if we had a government that could sit down and enunciate policy and be able to indicate where we would be able to fit in, maybe with the Norwegians, Danes and so on, for special conventional purposes. Obviously, from the remarks of the Chair, it is the wish of this committee that we not discuss policy at all.

Some hon. Members: No, no.

Mr. Matheson: But when we take the position that we are paying about $1.6 billion for a gigantic shotgun blast that hits nothing and makes nobody happy we are concerned because our little army which could be vitally significant for the objects of the NATO alliance and indeed in other roles, perhaps under the United Nations and so on, is not fulfilling its purpose and function for which it is naturally best adapted.

An hon. Member: How do you know?

Mr. Matheson: The hon. member has asked how do we know. We talk to military people also. We have talked to a number of military people. I am not going to mention some of the military people who would like to have some of these ideas passed out to the country

and to this committee. We are trying to find out some facts from this minister. No one knows the facts. No one knows what army we have at all, where we are going or what its purpose is. No one knows at this stage whether we are prepared to do our job in the NATO alliance or whether we are unable to do it by virtue of other commitments. After all, we represent in this House of Commons a party that has had something to do with war. It was Laurier who took us into the South African war. It was King who took us into world war II.

An hon. Member: Give us something new.

Mr. Matheson: Those are facts that might well be remembered. Some of these comments which have come from the other side of the chamber and which suggest that the only loyalty in this country comes from the front benches of the government are not fitting and are not proper.

I wish to tell the hon. member that if he wishes to consider records, he can take a look at the record of our own leader who knows something about war. At 17 years of age in 1915 he served in three battle zones, namely Egypt, Gallipoli and the Balkans. He was not in university. He was doing what he has done all his life—serve Canada. We are just a little bit sick of this suggestion that we are not interested in defence, not concerned about the security of Canada and NATO which we had a real part in forming and which we intend to keep strong. In view of the fact that the Chair considers that any discussion of our policy or our military task is out of order, I will sit down. But I think many questions remain unanswered and we are upset about the matter. We are upset about the fact that these large votes come up for consideration without answers. We wonder what chance a young military man has by way of career. There are young military men in our army who are greatly concerned about the line of our defence policy. I could spend some time reading into the record what some of the junior officers of high training have been saying with respect to what kind of army we have. The Montreal *Star* of January 27 says this:

> There are a number of younger officers who think it should not—

I am sorry, but I think I had better start at the beginning.

> Whether the Canadian forces should have nuclear warheads has been fairly well debated by now on moral grounds. A parallel question has hardly been aired in public at all. It is whether the Canadian army should have them on practical grounds.
>
> There are a number of younger officers who think it should not, because they believe nuclear armament would produce the wrong kind of army for this country.
>
> With its limited population, Canada cannot, in peacetime, field a mass army. It has to produce a specialized force, highly trained for a limited number of functions.

[Mr. Matheson.]

We believe in an elite army. We want to have each and every dollar of the moneys that we have in Canada—in a time of depression, unemployment, and record debt—spent in a way that is going to produce an army of which we shall be proud. In the past we have misspent money and we know it. If it is possible for this government, at the snap of the fingers in a matter of a few days, to decide to scrap a project like the arrow, it is quite possible for them now to pursue a new course with respect perhaps to a wrong line of direction which has been established by some of the defence department. We have, for instance, people like Kissinger, Alastair Buchanan and people like them and some of our own people like John Gellner. What do they say? They say that for the number of troops we have in the field, we have too many at headquarters. They say that with the expenditures that we are voting for Bomarcs, we are not going to have available money with which to develop an elite army. These things we are interested in and that is why I wished to make these few comments.

The Chairman: Shall vote 644 carry?

Mr. Hellyer: Oh, no, Mr. Chairman. I am sure you would not expect the opposition not to continue its investigation into this matter. We can recall when hon. gentlemen on the opposite side of the chamber were so greatly concerned over $1 million in relation to an item of $1,700 million that they fought a whole election campaign on it and used it to try to smear the reputation of one of the greatest Canadians who ever lived, namely the late Right Hon. C. D. Howe.

Surely we on this side of the chamber have a responsibility to look carefully into how $35 million should be spent. Also, Mr. Chairman, the matter has a relationship to policy. The whole policy of the Canadian army is actually affected by the whole expenditure of funds under this item. Recently at Edmonton the Prime Minister made this statement: Should war come we must have available the necessary instruments. In the context he was referring to nuclear warheads. I wonder whether the minister would explain what steps have been taken to implement the policy enunciated by the Prime Minister at that time: Should war come we must have the necessary instruments available.

Mr. Harkness: Mr. Chairman, you have already ruled that a general debate on defence policy is not proper and not in order on this particular item. I therefore do not propose to get into a general discussion of defence

policy. I should be very glad to answer any question in connection with any of these matters which are outlined in some detail in the details on page 14, and which, as I have indicated previously, deal entirely with salaries, pay and allowances. As a matter of fact, as I indicated previously, over $27 million of this $35 million is for pay and allowances. I do not think the hon. member for Kenora-Rainy River was here when I made a brief statement at the start of this debate, and I think that perhaps I had better make the point again that the total additional amount of money which we are going to require for the Department of National Defence this year is $16 million, not $66 million as would appear from a casual glance at these estimates. We have a shortfall in various other items so that the total additional amount required is not $66 million but actually $16 million. As I say, I do not think the hon. member for Kenora-Rainy River was here—

Mr. Benidickson: You want $35 million for a specific purpose.

Mr. Harkness: —when I dealt with that and explained it in detail. I also explained why we needed in this particular vote some $35 million more than was voted when the main estimates were put through. As I indicated in the house last September, we estimated at that time that to increase the strength of the army, to put into effect the various accelerated survival measures and to carry on the training of up to 100,000 men in the special militia training course we would require some $37 million extra. That was stated at that time. The actual amount required is $35 million because, as I have already explained in detail, there is a shortfall in some of the other items in this vote of some $2 million odd.

Mr. Hellyer: As I understand your ruling, Mr. Chairman, it is that under this item we may discuss anything having to do with the operation and maintenance of the Canadian army either in NATO or here at home. I wonder whether the minister would tell the house if it is the policy of the Canadian government that before we can accept nuclear warheads for our forces we must obtain them under sole Canadian control?

Mr. Harkness: Mr. Chairman, I have already said on three occasions that I am going to abide by your ruling and not get into a general discussion of nuclear weapons, nuclear policy and so on, which has absolutely nothing to do with this item.

Mr. Benidickson: Mr. Chairman, as I have said before, we have an item of over $23 million for pay and allowances. Although the Minister of National Defence and the Secretary of State for External Affairs do not seem to have ordinary cabinet solidarity so far as policy is concerned, can I get from the minister the assurance that if the committee passes this item no person in the army is going to be employed or paid or given an allowance under circumstances that would enable him to be familiar with nuclear weapons and their employment, if and when the confusion of the government is settled and these men are given some responsibility in this field? Are we assured that in 1961-62 we have not paid people who have been given some preliminary training in the use, if provided to them, of nuclear weapons, and can I be assured by the minister that in his forthcoming estimates we will not be obliged to debate this again, because expenditures are being made with the thought that there is the prospect that our army personnel may have to know something about such weapons and therefore parliament is being asked to expend money in the meantime for the purpose of giving them some advance training in this type of warfare?

Mr. Harkness: I have already dealt with this matter, and again I think the hon. member was not here when I did so.

Mr. Pitman: Mr. Chairman, I think we have come to a blank wall in this whole matter of nuclear weapons and possibly we might turn off in some other direction. I believe the minister will agree that a discussion of national survival would come within the limits of this vote.

Mr. Harkness: Yes.

Mr. Pitman: Therefore, Mr. Chairman, with your permission I think I will move in this direction and see if we can discover something about the purpose and the future of this program.

Mr. Martin (Essex East): And come back to the other question later.

Mr. Pitman: The hon. member for Essex East says that we will come back to the question later. I can assure all hon. members that we in this corner are just as concerned about the problem of nuclear weapons for Canadian forces in Europe as I am sure other hon. members are to the right and left of Mr. Speaker but, quite frankly, we have spent almost an hour and a half on that subject tonight and I do not think we have got very far. Therefore I think we might move away from that subject and come back to it later.

Mr. Hellyer: The minister denies us information which we should have.

Mr. Pitman: First I should like to congratulate the minister on the job that was

done in connection with the national survival course. I am not going to congratulate him with respect to the purpose of the course particularly, but simply for the work which was done with some 50,000 to 75,000 men who have been given some survival training.

I assume that this course has given some work to a great many people who had no work. I am not at all sure what the over-all effect is going to be from the point of view of the purpose of the course. The first thing I am concerned about is the concept of the course. As the minister suggested, I believe it was to try to encourage people who have employment to take the course, and the expectation was that possibly business or industry or the area of employment in which the person worked would contribute something to the maintenance of the individual while he was taking the course. That was my understanding of the whole program as it came to fruition last fall.

I am not at all sure that very many people actually left their jobs. Possibly the minister can say just how many people fit into this particular box. How many took a six weeks leave of absence and were paid by their employers? I think this is important because it seems to me that the whole justification for paying these men on the basis of single recruits, as they were paid, was that the rest would be made up by the business institutions with which they were at that time employed.

If I may take the first survival course, I think the figures indicate to what extent this did not come about. The reason I am concerned about this matter is that I would certainly feel, as I am sure the government would feel, that any time a man signs up for any kind of government employment the government should surely assume its full responsibility to that individual. Many of these people were married and the majority were not in a position to receive additional income from employment. Of the 20,523 who started the first survival course 14,000 or nearly 75 per cent were unemployed. Some 10,000 of the 17,000 who finished were unemployed. There were 1,234 of those who started who were in receipt of welfare assistance and 828 of those who actually completed the course were in that category. Actually the situation was that some of them were making more money from welfare payments than they were from the national survival course.

To me this is a situation which should not be tolerated. In many cases it happened that because the course started shortly after the beginning of the month and their welfare payments covered part of the period in which they were actually on the survival course some of them did come out even, or a little better than even. But it seems to me that when the government takes over the life of a person for six weeks, they have a responsibility to that person.

Out of the 20,523 people on this course, 6,798, nearly 7,000, were married. About 4,406 of those who completed the course were married and a good many of them, I am convinced, were married and unemployed and on welfare. I think that this—

An hon. Member: I don't believe it.

Mr. Pitman: I am sorry; I did not hear that comment which came from the back of the chamber. I may say if you do not believe it, I am only quoting figures from a report which was sent to me by the Department of National Defence. I am sure you would believe the figures which came from your own sources.

Now, that is one problem. I do not want to go into that problem or the mess that occurred near the end, when the pay cheques came out and a great many people found they had not made as much money as they expected. I am sure the minister is sorry about that. A pamphlet was printed, which was later destroyed, at a cost of some $5,000—

Mr. Harkness: No.

Mr. Pitman: I stand corrected; I understood from a return I had that that was—

Mr. Harkness: That is the total cost.

Mr. Pitman: The total cost of the pamphlet? I understand the pamphlets were destroyed.

Mr. Harkness: No, quite a large portion of the pamphlets were put out.

Mr. Pitman: I am sorry, I am mistaken. I base that mistake upon a misreading of the return I received from the minister. It is unfortunate that something could not have been said to those men so that this thing would not have happened. So many of them were enthusiastic about that course right up to the last day, and I think it was very unfortunate.

There is a final matter about which I am concerned. I cannot feel that there is any real connection between these survival troops and the emergency measures organizations in these various areas. For example, one coordinator of an emergency measures organization did not have the names, addresses or any real concept of how these men were going to fit into his emergency measures organization.

Of the 17,000 men who completed the first course, some 6,857 have been recruited into the militia. Surely, if there is a nuclear attack, the militia are going to have a certain job to do. Will it not be different from the job of those people who were trained in

survival? I cannot help but feel there has been no over-all picture conceived as to what these men are going to do, how they are going to fit into the whole pattern of our emergency measures organizations, the whole effort we have been directing towards some kind of planned approach towards survival. I feel there should be a clear idea of what these men are going to do. Here we have over one third of them who are actually in the militia and have gone there from this course. I am sure this course was not set up as a means of bringing men into the militia, and yet this is what has happened. I am sure this course was not set up as a means of getting people off the unemployment rolls—at least, that certainly was not the impression with which we were left. However, 75 per cent of the men who took the course were unemployed and the government failed to take this into account by providing a living wage for those who were married and on relief at the time they took the course. At least, they should have been able to survive themselves for the six weeks they took the course.

I have seen people who were on relief and married, who had nine children and had to try to keep those nine children on $40 a week. I do not believe any member in this house would believe that could take place. It is for this reason I think this is something that should be explained. I wish the minister would try to indicate whether or not this first survival course proceeded in a manner different from that which he expected and, instead of having married men with jobs who were receiving some kind of subsidy from their company, he found himself faced with the fact that 75 per cent of the men were unemployed and were being sent over from the welfare offices. Perhaps he could explain why the government has taken no steps to supplement the payments to these men who are now being subsidized by the various welfare departments in various parts of Canada. Surely, this is a matter of some concern to this committee.

Mr. Harkness: Mr. Chairman, as the hon. member indicated at the start of his remarks, this has been a very successful program. I believe the people connected with it are of that opinion. The militia unit commanders and the members of the militia who have been concerned with carrying out this program in all parts of Canada I have visited have all expressed satisfaction with the calibre of the men who took this training, with the interest they took in the course, the progress they made and the skills which they attained. The hon. member seems to have some idea that the program was designed as a relief measure and so we should have taken into account the fact that some men would have large families—

Some hon. Members: Oh, oh.

Mr. Hellyer: Was that the purpose?

Mr. Harkness: —and so provided funds to support them. The program was never designed as a scheme of this sort. The purpose of the scheme was set out quite clearly and definitely at the time it was undertaken, as was the amount of pay which would be received by the men taking the course. The rate of pay was set out as that of an army private plus the ordinary living out subsistence allowance of $65 per month. It was quite clear that that was all that was to be paid to anybody who took the course and that is what was paid.

In so far as the people who took the course are concerned, upwards of one third of the people who have enrolled in the course so far had jobs of some sort or another. A little over two thirds of the men did not have jobs at the time they enrolled. Now, I do not see why anybody should hold that against these men. The general purpose of the course, as I indicated at the time it was announced, was to produce as large a body of men as we practically could who were trained in survival skills. Of the men who have taken this course, a considerable number who were released from their normal employment by their employers, who in some cases were provincial or civic governments and in some cases private firms, for the express purpose of helping to organize survival methods in their organization, have been employed in that sort of activity since taking the course.

The hon. member asked what was happening to these people, how they were going to be used. Well, there are quite a number of them who are putting what they learned to use in that way. One of the purposes of the course and one of the hopes I expressed at that time was that a good proportion of the men who took the course would join the regular militia units. The hon. member seemed to indicate this was not the purpose of the course, but it was one of the purposes of the course to have as many of these people as possible join the regular militia units.

The reason for this hope was that survival operations are the responsibility of the army in Canada. The matter of rescuing people and so on is the direct responsibility of the army, both the regular army and the militia. The number of people in the regular militia units is not sufficient and has not been sufficient to properly carry out the rescue and survival operations with which they were charged.

We hoped, and our hope has been met, that a good proportion of the people who took these courses would become interested in these matters and would join the regular militia, whose primary duty at the present time is rescue and survival operations. This type of activity for which they have been trained they can carry on better in a militia unit than the regular army, and the more of them we can get the better our survival operation is going to be.

In fact I have been delighted with the very large proportion of men who have joined the regular militia units. From the first two courses there were about 14,000 men, quite a high proportion, and I hope there will be just as high a proportion from the course going on at the present time and from the final and fourth course. I trust that has possibly answered some of the questions which the hon. member has in mind.

As I indicated I regret very much that a mistake was made in this pamphlet, but the number of people misled by it was very small. The amount of money involved was around $10. To people who had to live entirely on this amount it might have loomed up as quite a large sum. I am not saying it would not be to them, but it is not a large sum which was involved and the number of people misled by this was very small indeed. Of course when the mistake was discovered the pamphlet was withdrawn and the remaining copies were destroyed. The total cost, rather than being the $5,000 suggested, was around $3,000.

Mr. Hellyer: I think the minister could help very much to clear up this matter if he would read to the committee the contractual arrangement which applies between the graduates of these classes and the Canadian army, once they have graduated.

Mr. Harkness: There is no contractual arrangement unless a man joins a regular militia unit and, as I have just indicated, a very fair proportion have done that.

Mr. Hellyer: What proportion?

Mr. Harkness: I think the number was 4,000 all told, who volunteered for the regular forces. Some 2,600 odd applied to join the regular forces and of these we have accepted 1,410. So we have had really a very good response from both those points of view to the six weeks' training that these men, who for the most part were young, undertook.

Mr. Hellyer: Is the minister advising the committee that there is no relationship presently existing between the army and the graduates, that there is no chain of command which provides the terms under which they will serve in their civil survival role once they have graduated? If not, what is the purpose? Is it just a school for unoccupied people, or what is the purpose for the expenditure of the money?

Mr. Harkness: I think I have explained what the purpose was but for some people it is very hard to come to grips with any explanation, particularly if they do not want to grasp it. It is quite evident that they cannot have any contractual arrangement. There was no idea that when a man joined for this special militia training he was going to be obligated to serve for any longer period than six weeks. That was part of his term of engagement.

Mr. Pitman: I thank the minister for the long explanation he has given. I must admit that $2 and $10 do not mean very much, but they did the week before Christmas. I want to come back to the problem of what happens to these people who do not join the militia. Is there any way they can be co-ordinated into civilian E.M.O. programs? Is there any way in which they can be directed into some area of activity being carried on in every community under these various E.M.O. co-ordinators throughout the country?

Mr. Harkness: This varies a great deal from one part of the country to another. A record is kept of the names of these people and it is made available to many of the civilian organizations dealing with the emergency measures organization. Of course the thing you have to keep in mind is that in the event of an attack on this country the military forces that exist would not be sufficient to form more than cadres or organizational centres, and they would have to pick up a large number of the civilian population if they were going to be able to carry on survival and rescue operations at the speed and to the extent that would be necessary. Therefore the larger the number of people in the general population you have trained in these survival methods the better will be your position. If we could have every civilian trained that would be ideal.

Miss LaMarsh: There is one thing I would like to inquire of the minister in regard to what he said very decisively about the unemployed taking these courses. I would like to inquire exactly how far in advance of the announcement of the first course was the plan conceived? I have reference to my own riding in Niagara where a very large armoury, admirably suited for such training, was sold off within a matter of three or four months before there was notice about training these troops. It was then necessary to take over an empty church from the Department of Public Works in order to have this training go on,

which apparently indicates that the Department of National Defence did not plan ahead for any considerable period of time.

The other question I wish to raise, and unfortunately I do not have the reference with me but I have seen a number of comments in the press, is that officers in the survival exercise are unable to say exactly what would happen following a nuclear attack on Niagara Falls, which is one of those centres admitted by the Prime Minister in this house last fall to be a prime and primary target. If it were a primary target all its people, and certainly its survival group, would be completely destroyed; yet no arrangements have been made, as I read the press, for moving survival troops over destroyed highways from one centre to another.

I would ask the minister whether, in the interval from the first survival course, he has conceived any plan which would assist an area like Niagara Falls which would be largely decimated in the event of nuclear attack?

Mr. Harkness: First of all I am sorry to have to inform the hon. member that the department of defence does not postulate its policies on the armoury situation in Niagara Falls. In actual fact the armoury to which the hon. member referred was an old building, very expensive to maintain and not an economic building to keep in operation.

So far as rescue operations in Niagara Falls are concerned rescue columns would come from various places at a distance of anywhere up to 60 or 80 miles from Niagara Falls. There are quite definite plans in connection with bringing rescue columns into any particular area which has been hit.

Mr. Herridge: I want to raise a question that was put forward first by the hon. member for Trinity and then in another form by the hon. member for Peterborough. It has to do with the continuity of contact between the emergency measures people and the persons who have been trained. Although I do not know what percentage is involved it has been brought to my notice that among the persons who were trained there were quite a number of drifters, people who move from one place to another. They came into a city, took the course, and then went on again. I am told that there was quite a percentage of this type who certainly would lose all contact with the persons who had trained them, as against those resident in the district. Has the minister any idea of the percentage trained who were, shall we say, drifters or floaters and were not permanent residents of the district in which they were trained and available for service there?

Mr. Harkness: No, I have no record of that. I would merely point out to the hon. member that working under a voluntary system, as we do in this country, both for the regular forces and the militia forces, and this special militia force, we enlist people without regard to their race, religion, job, complexion or anything else along that line; as long as they meet the mental and physical requirements they are enlisted.

Mr. Herridge: On enlistment there was no requirement that the person who sought training was a resident of the district?

Mr. Harkness: No.

Mr. Hellyer: I wonder if the minister can say whether he plans to carry on with this program next winter as well.

Mr. Harkness: This is a matter to which we are giving consideration, but no decision has yet been reached as to whether or not we will carry on with it next year.

Mr. Benidickson: Mr. Chairman, I am speaking from memory, but as I recall it last September the Prime Minister used his usual superiority by announcing a major program over the head of the minister, and I think he said that 15,000 additional people would be recruited under the national defence program. I do not recall what the purpose was for this additional recruitment of 15,000 people, but I assume this vote has some relationship to it. How many of the 15,000 people that the Prime Minister spoke about in September, 1961, have been recruited, and what are their duties?

The minister passed me off when I spoke earlier by saying I had not been in the committee when he gave some information with respect to the relationship of this vote of $35 million to the training of people who might conceivably be engaged in nuclear training, or who might be engaged in the aspect of rescue and survival training that has been discussed recently. Could the minister break down, in these three aspects, how much of this vote relates to recruiting of 15,000 people under the defence program mentioned by the Prime Minister in September, how much relates to the rescue and survival program—which of course reduces expenditures in large part in connection with unemployment insurance payments—and how much involves people who may be wasting their time if the Secretary of State for External Affairs rather than the Minister of National Defence has his way and we do not need to know anything about nuclear weapons? Could we have a breakdown of these three categories?

Mr. Harkness: If the hon. member will look at the details on page 14 he will find just

such a breakdown as to the expenditures for the various purposes. He will see pay and allowances for the Canadian army, regular, $4 million. Then on the next page, still under the same vote but listed separately as pay and allowances for the Canadian army, militia —that is actually the special militia training program—the amount is $23,120,000. He will also see civil salaries and wages for the Canadian army, regular, $200,000. Then there are the rest of the items upon which the vote is based.

As far as the recruiting is concerned, since this program came into operation around September 1, up to March 12 we had increased the strength of the regular army—as the hon. member knows, people are leaving every week due to their having served their time, sickness and so on—by 4,338 all ranks. This figure is increasing, as a matter of fact, at a rate of about 600 a month and by the end of this current year—in other words, a period of approximately 18 months—we will have recruited at this rate up to the full strength that was authorized, which was an increase of 11,600 and some odd, I think, as far as the army was concerned.

Miss LaMarsh: Would the minister say what he is spending half a million dollars for to get another 11,000 men into the army?

Mr. Harkness: What is the question?

Miss LaMarsh: I am looking at page 14, to which the minister kindly referred us, and the item "exhibits, advertising, films, broadcasting and displays".

Mr. Harkness: I will be very glad to give a breakdown of that figure.

Mr. Benidickson: This is apart from the main estimates of last March.

Mr. Harkness: This $436,000 was for extra advertising. In order to secure the men for the special militia training program, $151,000; and to secure the increased enlistments in the Canadian army, regular, $285,000. I might say that with these increases the item is still considerably less than it was some five years ago.

Mr. Benidickson: Who was employed by the minister as his agent for this advertising?

Miss LaMarsh: Perhaps the minister would tell us who is the advertising agent concerned in this figure of $151,000.

Mr. Harkness: I think we have three advertising agencies who do the work for national defence. Instead of giving it all to one person, as was the custom under the previous administration, we have shared this around so that more people get some of the business.

Mr. Chevrier: You cut the melon, in other words.

Miss LaMarsh: Now perhaps the minister will answer my question by telling me who the three are.

An hon. Member: Write her a letter.

Mr. Hellyer: We will give you until tomorrow to look up that information.

Mr. Harkness: I will get that information; I have not got it with me.

Mr. Pickersgill: The minister might also tell us at the same time whether tenders were called.

Mr. Monteith (Perth): Did you do that?

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

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, having regard to the fact that the supplementary estimates tabled today amount to $138 million, which added to those that are now under discussion make a total of close to—

Mr. Churchill: You are out of order, but go ahead.

Mr. Chevrier: I want to ask a question based on that, if I may—which added to those now under discussion amount to practically the total budget of Canada before the war, will this group of supplementary estimates No. 4 be taken continuously and considered after we have disposed of supplementary estimates No. 3?

Mr. Churchill: Yes, the ones tabled today would be the final supplementary estimates for this fiscal year.

Mr. Benidickson: Are you sure it is final?

Mr. Churchill: We will continue with the supplementary estimates tomorrow, Mr. Speaker.

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

[The following item was passed in committee of supply]:

DEPARTMENT OF LABOUR

B—Unemployment insurance commission—

669. To authorize the Minister of Finance, notwithstanding the Unemployment Insurance Act, to credit to the unemployment insurance fund in the fiscal year 1962-63 sums not exceeding in the aggregate $25,000,000 on such terms and conditions as the governor in council determines, $25,000,000.

HOUSE OF COMMONS

Tuesday, March 20, 1962

The house met at 2.30 p.m.

TRADE

EUROPEAN COMMON MARKET—IMPENDING VISIT BY U.K. LORD PRIVY SEAL

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the house will recall that at the beginning of January the government was favoured with a visit from Right Hon. Edward Heath, Lord Privy Seal in the British government. That meeting afforded an opportunity for exchanges of views and gave the government the opportunity to receive from Mr. Heath an up to date account of the course of negotiations for the entry of Britain into the European common market. At that time it was agreed that further such meetings might be held from time to time. I am glad now to be able to inform the house that we look forward to a similar visit from Mr. Heath on Monday and Tuesday of next week.

PRIVILEGE

MR. FISHER—PROTEST RESPECTING ANSWER TO QUESTION ON ORDER PAPER

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to raise a question of privilege relating to the right of a member of parliament to receive answers to questions. My question of privilege relates to an answer given yesterday by the Minister of Finance, as found at page 1919 of *Hansard*, to the following question:

> Has Mr. James Coyne, a former governor of the Bank of Canada, received any moneys—

And so on. This was the minister's answer:

> This answer I give on information from the Bank of Canada. The Bank of Canada pension fund is a separate and distinct fund made up of past contributions by the staff and the bank, plus accrued earnings thereon.

This is the key sentence.

> It is not the practice to disclose information regarding the details of payments made to individual retired employees out of the fund.

I want to draw your attention, Mr. Speaker, to *Hansard* of June 28, 1961, where it will be found that part 4 of question No. 423 reads as follows:

> 4. What was the lowest, highest, and average rate payable under the Bank of Canada pension plan: (a) previous to March 1, 1960; (b) since March 1, 1960?

To that question the Minister of Finance supplied the following answer:

> 4. (a) As at February, 1960, the lowest, $7.87 per month; the highest, $1,145.83 per month. That happens to be the pension of the former governor.

I will not go further with the answer to make my point that last year in answer to a question in this house the minister did provide information as to the pension that was actually being received by a former governor of the Bank of Canada. From his very phrasing he specified who it was and we know with no trouble at all that it was Mr. Graham Towers.

As the minister did that, I feel it is taking an unfair advantage of the house procedure to come into the house as the minister did yesterday and say that it is not the practice to disclose such information. I should like to ask you, Mr. Speaker, to consider this particular matter, because if an answer on a particular subject is given at one time in a particular way, we should at least have this privilege on a subsequent occasion, and surely we deserve to have information in answer to a similar question given in the same way. Surely there should be a precedent established.

Hon. Donald M. Fleming (Minister of Finance): I think the hon. member has overlooked some very essential ingredients and facts in the situation to which he refers. The answer that I gave yesterday to question No. 288 is a correct answer. The question sought information concerning a former governor of the bank, Mr. James Coyne. The answer I gave, on information from the bank, was that it is not the practice to disclose information regarding the details of payments made to individual retired employees out of the fund; that, I am told, is the position.

The hon. member refers to what was said in the course of a debate last June, Mr. Speaker, when certain information was brought before the house concerning the ranges, the high and the low, of payments made to those on pension. This was an illustration of the range within which those payments run, a comparison of the payments available to the governor under rule 17 of a particular by-law as compared with the pension available to him prior to the adoption of that particular by-law by the board of governors, and a comparison of that to the lowest pension paid to a former employee of the bank who qualified for a pension. Those were the observations Mr. Speaker, and that

was their relevancy on that occasion. This is not a precedent at all for either the seeking of the information the hon. member sought yesterday by question No. 288 or the observations which he has made this afternoon.

Mr. Fisher: I should like to draw your attention to the fact that it was not in debate that the answer was given. It was an answer to a formal question on the order paper, question No. 423, and the words contained in the answer given by the minister point out that the highest pension per month is the pension given to the former governor. The answer was quite explicit as to who got it.

Mr. Speaker: The hon. member raises as a point of privilege, I take it, the right of the house to consistency in the reasons which are given by the ministry in declining to answer. It is recognized by the house that certain answers may very properly be withheld from public disclosure in the house because it would be contrary to the public interest or contrary to a practice which has been established. The ministry from time to time declines to answer on these or similar grounds. Whether there is any obligation on the part of the ministry which amounts to a privilege or right of the house, I would much doubt. But it is a rather novel point, and I will consider it.

May I at this time refer the house to Beauchesne's fourth edition, page 153, citation 181:

> A minister may decline to answer a question without stating the reason for his refusal—

From that I take it that if the minister had declined to answer, there would have been no objection.

> —and insistence on an answer is out of order, no debate being allowed. A refusal to answer cannot be raised as a question of privilege, nor is it regular to comment upon such refusal. A member can put a question, but has no right to insist upon an answer.

I think from this citation it is fairly clear that rights do not arise. If a member is dissatisfied with the answer to his question, it is proper for him to comment upon that at the appropriate time in debate, but it does not go so far as to permit him to raise his objection as a question of privilege. However, as I say it is a novel point, and I shall give the matter some consideration in case it should arise again.

MR. CHEVRIER—ALLEGED INCOMPLETENESS OF RETURN TO ORDER FOR PAPERS

Hon. Lionel Chevrier (Laurier): I should like to raise a similar point concerning the production of papers. I moved on February 28 for the production of papers and correspondence between the Minister of Transport and the president of Quebecair and certain other persons concerning the granting of exclusive rights to Quebecair to operate between Seven Islands and Quebec.

On March 14 the Secretary of State tabled the correspondence that took place, following that motion. I have the correspondence before me and it ends on November 10, 1961, although the motion was passed and the papers deposited on March 14, 1962. Therefore I think that by the order of the house I am entitled to the correspondence between November 10, 1961 and the date on which the order was passed and the papers were tabled. The last letter clearly indicates that there has been further correspondence, and I would just like to read one sentence from it. It is a letter dated November 10, 1961, and reads as follows:

(Translation):

Dear Mr. Crevier:

> I am pleased to inform you that after a discussion with the chairman of the air transport board, I am in a position to tell you that the board will complete its economic survey of T.C.A. and Quebecair routes on the north shore of the St. Lawrence on Monday next, November 20—

(Text):

And this, sir:

(Translation):

> and will then be able to submit to you written proposals.

(Text):

It follows from this that written proposals must have been made between November 10 and the time the motion was passed here. Not only were they made but these written proposals appeared in the press, and I think I am entitled to get the correspondence which transpired between November 10 and the time the motion was passed.

The authority on which I base my submission is citation 213 of Beauchesne, at page 178, which reads as follows:

> If parties neglect to make returns in reasonable time, they are ordered to make them forthwith;

And this is the pertinent point:

> or so much of returns as has not been made.

My point is that so much of this return has not been made, namely the correspondence between November 10, 1961, and the time the motion was passed in this house, that it can be ordered to be made by this house, if Your Honour so rules. In view of that fact I submit with deference that I should be given the remainder of the correspondence on this file.

Hon. Leon Balcer (Minister of Transport): If I may be allowed to speak on this matter,

it is a fact that the hon. member did move a motion to have the correspondence between myself and the president of Quebecair—

Mr. Chevrier: And others.

Mr. Balcer: —and others tabled. Everything I have in my office that is not of a personal and confidential nature has been produced. I myself have investigated everything I have in my office, and if anything else is still in my possession it is because it is private and confidential. So far as the other agencies are concerned, including the air transport board, I shall be very pleased to investigate further, but I know my office and the officials of the department have made a very extensive study of the matter and have gone through all the files. I regret if I have a document which does not appear there, but I can assure the house that everything not of a personal and confidential nature has been tabled.

Mr. Speaker: Perhaps the hon. member who feels the order of the house has not been sufficiently complied with would inform the minister of the specific documents which he says have not been produced. Then if he is not satisfied there is provision under our rules for a debatable motion to produce documents. This procedure gives a remedy for that matter which the hon. member for Laurier now raises.

LABOUR CONDITIONS

REPORTED REDUCTION IN RATE OF INCREASE OF LABOUR FORCE

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to direct a question to the Minister of Labour based on today's release of the unemployment figures, which show that 583,000 Canadians are out of work—an alarming situation, of course. In the light of the labour force statistics given by the Department of Labour today, has the minister any explanation to offer for the fact that the Canadian labour force between February, 1962 and February, 1961 increased at less than half the rate of previous years?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, in answer to this question I want to bring to the hon. member's attention the report of the Senate committee on manpower, which recommended that in the next five years a million jobs would have to be provided. In this release we find that 196,000 new jobs have been provided throughout the year, so that by the month of February we have attained the number of new jobs required to reach that figure of 1 million jobs in five years.

Mr. Martin (Essex East): A supplementary question, Mr. Speaker. Since the minister had declined to answer my question, would he explain why it is that for every 100 Canadians at work, 10 are unemployed?

Mr. Hees: Now, now; don't choke.

Mr. Walker: That is a lie.

Mr. Martin (Essex East): The Minister of Public Works has said that is a lie.

Mr. Walker: And it is a lie.

Mr. Martin (Essex East): The Minister of Public Works has asserted that what I said is a lie. I say it is a true statement based on an examination of the minister's figures, and I ask the minister—

Mr. Speaker: Order. If, as the hon. member asserts, such a statement was made I am sure the Minister of Labour would be the first one to correct it.

Mr. Martin (Essex East): No, it was the Minister of Public Works.

Mr. Starr: The percentage of those unemployed in the labour force is 9.1, so it is not one out of every ten.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Speaker: Order. I am sure the Minister of Public Works would wish to rise and deal with the accusation which has been made. Personally I did not hear what was said, but an hon. member in the house has accused the hon. member for Essex East of making an untrue statement, which would be contrary to good parliamentary practice.

Mr. Walker: Yes, Mr. Speaker, I would be very happy to do that.

Mr. Pickersgill: To do what?

Mr. Martin (Essex East): Mr. Speaker, I am sure you are not impressed by this evasion by the Minister of Public Works. He accused me of having told a lie in this house. Under our rules the hon. gentleman has the obligation of withdrawing this remark. You have asked him to do so. I would ask that he obey your ruling.

Mr. Walker: Mr. Speaker, in view of the Minister of Labour's explanation obviously the hon. member for Essex East has made a statement which is untrue. If the appellation by which I described his statement offends the house, I will be very happy to withdraw it.

Mr. Martin (Essex East): That's better.

REPORTED WEST GERMAN RECRUITING PROGRAM

On the orders of the day:

Mr. M. W. Martin (Timmins): Mr. Speaker, I should like to direct a question to the right

hon. Prime Minister or, in his absence, possibly to the Acting Prime Minister. In view of a report in today's *Globe and Mail* that in spite of an increased recruiting program West Germany still has a request for 45,400 foreign workers, will the government increase their efforts to solve Canada's unemployment problem before Germany starts recruiting in Canada?

Mr. Speaker: Order. The hon. member is undoubtedly concerned with the problem which he is endeavouring to put forward, but it does not seem to me that it is a genuine search for information that prompted his question.

Mr. Martin (Timmins): On the point of order you have raised, Mr. Speaker, the report states that the regular sources of foreign labour have dried up in Italy due to the boom in that country, they have now turned to Spain, Greece and Turkey. As Canada is generally recognized to be underpopulated, I think it is not—

Mr. Speaker: Order. The hon. member will have an opportunity to say what his views are on that subject at the appropriate time.

POWER

CORRESPONDENCE WITH PROVINCES RESPECTING NATIONAL GRID

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if either of the parliamentary secretaries to the Prime Minister is able to answer the question I put to the Prime Minister as to whether there was any correspondence which had not been tabled regarding the conference on the power grid which was held yesterday. The parliamentary secretaries no doubt know that the Prime Minister said if there was any such correspondence it would be tabled today. Could they comply with that undertaking?

Mr. John Pallett (Parliamentary Secretary to the Prime Minister): I do not agree that the Prime Minister made the statement attributed to him by the hon. member, but the question will be taken as notice.

Mr. Pickersgill: Will the parliamentary secretary endeavour to find out if there is any such correspondence, and provide it to the house as the Prime Minister promised?

Mr. Pallett: Again, I cannot agree to the correctness of what the hon. member has just stated, but I will take it as notice.

[Mr. Martin (Timmins).]

AIR TRANSPORT

REPORTED CO-OPERATIVE ARRANGEMENT BETWEEN T.C.A. AND C.P.A.

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): May I ask the Minister of Transport a question arising from the information on the Trans-Canada Air Lines deficit which was tabled yesterday. In view of the fact that a committee of this house will be examining the annual report of T.C.A., can the minister indicate before that occasion what consideration the government is giving to the rumour or the report of an amalgamation or co-operative arrangement between T.C.A. and Canadian Pacific Airlines?

Hon. Leon Balcer (Minister of Transport): I have nothing to add to what has been said in the past in this house.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

Canadian Army—

644. Operation and maintenance—further amount required, $35 million.

Mr. Forgie: I should like to refer to a short speech I made last September regarding the situation which prevails at Petawawa military camp. I told the minister at that time that I hoped he would investigate the matter to see whether some remedial action could be taken up there to lessen the suffering which is going on there because of the insufficiency of hospital facilities.

A question was asked on this subject the other day by the hon. member for Trinity, on the order paper, and the answer given was most evasive. There is plenty of evidence in *Hansard* and also in the minutes of the proceedings of the committee which dealt with the estimates of the Department of National Defence to warrant some assistance being given at Petawawa. I shall read some of this evidence to the committee. As reported in *Hansard* of 1959, volume V, page 5509, the committee of the whole was considering the following estimate:

230. Grants to the town of Oromocto, subject to the approval of treasury board, for municipal services including the maintenance and operation of schools and to promote the development of the town, $1,656,000.

At that time the former minister of national defence had this to say:

Oromocto is the dependants' town at Gagetown. It is where all the dependants of personnel and the married service personnel live. It is set up under a special agreement that was reached a few years

ago. They have a town council. They are encouraged to organize their own services and grants are made by the government in order to maintain this small town for the purpose of looking after the dependants of our service people.

Then again, as I said last year, I have this letter from the then minister of national defence which I should like again to incorporate in *Hansard*. The letter dated August 17, 1960, is addressed to me at post office box 35, Pembroke, Ontario, and reads as follows:

> You will remember on a number of occasions you have spoken to me concerning the Pembroke Cottage hospital and the possibility of this department arranging financial assistance for the hospital. I have carried out a very thorough survey to see whether any assistance in this regard can be given this year but unfortunately, due to financial stringencies, we are unable to be of assistance at present. However, I am taking up the matter with treasury board in order to ascertain, if possible, whether some arrangement might not be made at a future time, perhaps next year.

In the estimates for 1961-62 you will see a reference to a hospital at Middleton, in Nova Scotia, for which $135,000 was subscribed by the Department of National Defence for the purpose of assisting, as I interpret it—the minister can correct me if I am wrong—in the construction of accommodation for dependants of the army. When I tell you that the population of Petawawa military camp at the present time is approximately 10,000 people made up of 6,300 dependants, surely it should appear obvious to everybody in this committee that something will have to be done with regard to hospitalization at Petawawa. The two hospitals in Pembroke are accepting from 20 per cent to 28 per cent of the patients from the Petawawa military camp.

Surely this is a business matter. It is just a matter of common sense and business. The business is to see what can be done most economically. To construct a hospital in that section of the country would cost $2½ million. To put them in the General hospital and the Cottage hospital in Pembroke would cost not more than $250,000.

My suggestion to the minister therefore is this. The officials of both hospitals are prepared to sit down with the senior officers with the Department of National Defence and the minister in order to ascertain whether something cannot be evolved which will satisfy the people of Petawawa military camp who at this time—and I mean this—consider themselves to be second class citizens. Something must be done up there for these 10,000 people. There is no economic assistance for a hospital there for 6,300 people. The situation is absolutely ridiculous. I suggest that a little bit of common sense be displayed. Let us get together with the government on the matter and find out whether some answer cannot be arrived at. Nobody from the Department of National Defence to my knowledge has been near the place for the last three years.

Mr. Harkness: There are, of course, a large number of requests by various municipalities for assistance as far as hospital construction is concerned directed to the Department of National Defence. We have looked into these matters with a great deal of care and have come to the conclusion that such assistance is justified only if the number of dependants coming into a community increases the total population of that community by more than 10 per cent over a period of five years.

It was under those circumstances that assistance was given as far as Middleton, Nova Scotia was concerned. Several other towns in Nova Scotia have also asked for this assistance, but we have not been able to give it because we did not think the increase justified it. As a matter of fact, all these places like to have a military camp established in order to get business out of it. Then they do not seem to think that the dependants of the people at the military camp should have the same service as other people in the community without paying extra for it.

I do not think this is an equitable way of looking at the matter. In the Pembroke area the situation is that the increase in military dependants population has not been 10 per cent during any five year period and thus, under the rule that we have been obliged to establish, the area does not qualify for a hospital assistance grant.

Mr. Forgie: May I ask the minister whether he has any figures given to him by the Department of National Defence with regard to the situation at Petawawa? Here are some figures that will prove to be interesting. The total estimated cost of the operation at Pembroke was $743,737 for 38 additional beds. That is the total estimated cost of the operation there, of which $100,693 will be paid from federal health grants, the province contributing $117,000. Thus it can be seen that the two senior levels of government are paying a smaller percentage of the total estimated cost in this case than they were in the case at Middleton.

The other question I should like to ask the minister is this. The government has set up Petawawa military camp. It is part of the army. The army is recruiting married couples. What is to happen to the children and the dependants? Where do they come in? Who is to look after them? What about their hospitalization? Is nothing to be done about the matter? Expenditures on hospital beds have increased 10 per cent in the last year from the estimate. Surely these are matters that

can be mulled over and discussed in a sensible businesslike way in order to arrive at a solution that will mean something to the people of Petawawa.

Mr. Fisher: I should like to ask the minister a question with relation to special training. I have to set it against the context of the area I represent. In the southwest corner of the constituency of Port Arthur, which represents about one third of the land area of Ontario, we have a city in which there has been a rather successful response with regard to this special training program. However, across the constituency to the north we have the main arterial routes of the country in the trans-Canada highway, the Canadian National Railway, the Canadian Pacific Railway—the main transcontinental factors—plus the emergency and real air bases which form, as you might say, part of the spine of trans-Canada air transportation. I think we must assume that in any emergency measures program some consideration must be given to keeping this transportation system open.

I would ask the minister what provisions have gone into the planning of these courses in order to ensure that in the small transportation points across this, as you might say, spine of Canada, there are people who have training and background in emergency measures response. I would point out to him, for example, that we have six railway divisional points in the constituency, or eight if you wish to count subdivisional points. What arrangements have been made or what steps have been taken to encourage the employees of the two major railways who live in these places to have this training and in that way to make sure that in an emergency these centres will be able to respond?

I may tell him frankly that I raise the question because in going to these divisional points I find a certain interest in the course but a realization that from the financial point of view, very few of these employees are in a position to give up their work on their own and move say to Port Arthur, in most cases a distance of at least 150 miles, in order to take the training.

If the organization is to be effective, it seems to me that at those points which are important from the point of view of emergency transportation we should have people with training. It may be to the advantage of the lakehead cities that the 250 people who are being turned out from the course will assist the militia there in this development and will also be available in any emergency, but in terms of a real national emergency it seems to me that transportation is quite important, and I have seen nothing to indicate that the department has any plans in this regard.

I will repeat the question. Can the minister indicate to us just what steps have been taken to ensure that in those areas without armouries or militia training centres there will be people who have had this training?

Mr. Harkness: Mr. Chairman, first of all I should like to make it clear that I am not the minister responsible for emergency measures generally. That falls under the Prime Minister's office. I am responsible for the survival and rescue operations and communications, by which I mean wireless communication and so forth, and the warning system. The training of people in places such as those to which the hon. member has referred would come under the emergency measures organization.

As far as the special militia training program is concerned, we are only in a position, of course, to carry it on where armouries and people who can act as instructors and administrative personnel actually are available.

Mr. Fisher: I am not going to argue that the course has no validity and is not worth while, but if it has validity should it not be particularly worth while to the people who live in these places? I want to know what steps have been taken—the minister must surely be aware of them—to encourage people from these important but distant transportation centres to take the training.

I will be quite candid as to why I am asking. I tried to find out from the department through the minister's office and really found out nothing. The whole thing seems to be up in the air. When I say it is up in the air I mean the provision of these plans across the country. The whole emphasis seems to be merely upon getting bodies into these courses. Surely it dovetails into some kind of plan, and that is what I am curious about. Can I put the question this way. Am I to understand from the minister's response that there is no plan to provide some modicum of trained people in transportation centres across the country if these centres do not happen to have armoury or militia training facilities?

Mr. Harkness: I can only repeat that as far as the special militia training program carried on by the army is concerned there is no plan. As I indicated, the training has been carried on and can be carried on only where armouries exist and where personnel are available to carry on the courses. What the emergency measures people as such may have done in order to train people in such places, I do not know. I do know they have made an

effort to get as many people trained in emergency measures activities as they possibly could in centres all across Canada.

Mr. Fisher: Do I take it, then, that these courses are really not so much courses in emergency measures training but are courses to provide recruits for the militia? The minister may think I am hairsplitting, but I have gone in and watched people taking the courses and it seemed to me that the courses, given their limitations in terms of length and intensity, are excellent. But it certainly did not strike me that the courses were intented to turn out well trained militia men. It seemed to me the purpose was to provide people with some knowledge of how to meet an emergency situation. Once you acknowledge that, surely the minister has some responsibility to see that this kind of trained personnel is in important places.

It would seem to me that this could be done by some form of encouragement or incentive to the Canadian National Railways, the Canadian Pacific Railway and the Department of Transport, for example, which operate important facilities in these transportation centres. I am not going to comment on the disappointment I feel at the minister's reply, but if this is a major effort, as the sum we are voting certainly indicates, I should like to know how it is going to pay off in relation to the emergency measures organization.

I will not sit down and wait for a reply, Mr. Chairman. From the tenor of the replies so far it does not seem to me that there will be much forthcoming, but I should like to go on to another point about which I should like to ask the minister a question. It relates to the provision to the present militia, of transport equipment to meet emergency situations. One of the things that is somewhat disturbing when you talk to people who are in the militia is the very real dearth of emergency equipment, especially transportation equipment. I am thinking not only of trucks but of such equipment as derricks, the kind of thing that can be made use of very quickly in an emergency. Are there any plans under way at the present time, particularly in relation to the money we are now being asked to vote, to provide a larger stockpile of this kind of transportation equipment at key points, or are there plans to take over the equipment of Ontario Hydro, Bell Telephone and other agencies? If there are plans to take over Hydro and Bell equipment, who will have the military authority to act under the present set-up?

Mr. Harkness: With respect to the first question, I think it is quite obvious that with a goal of 100,000 trained men under the present special militia training program it is not possible to train a considerable number of men in every town across Canada. As I indicated before, of necessity we had to carry on this training with the facilities where they existed, and the essential purpose of the training, of course, is to get as many people as possible trained in basic survival techniques and skills. It is quite evident we are not trying to train the whole population or a certain number of people in every town or city across the country, and we just could not set up courses in those places where armouries do not exist. We had no means of doing so. That is the situation as far as the first question is concerned.

With regard to equipment, by and large the militia units have as much equipment as they have men to make use of, look after and maintain. With the increase which is taking place in the militia units, some of them will get more equipment than they have had. It is no use giving a whole mass of equipment to a unit which has no means of making use of it or looking after it.

In the event of an emergency, of course, the plan is that the survival columns formed by militia companies or battalions or other units here or there would take civilian bulldozers, cranes and so on for use in their survival and rescue operations. Only by making use of civilian resources in equipment of this kind which exist all over the country could you possibly from a practical point of view secure sufficient equipment or have sufficient equipment scattered widely across the country to be made use of in the event of an emergency.

Mr. Fisher: In relation to the first question, as the minister knows there is a suspicion in the minds of many people, not only politicians in the opposition, that this emergency training program, whatever it may achieve in terms of supporting the militia, is to quite an extent a measure to meet the unemployment situation. If its real value is to provide a significant base of people throughout the country who know how to behave in an emergency and have some training for such an event, surely the minister must recognize that the limitation that you can only train at certain places where there are armouries is foolish in terms of a broad base. I am saying to him, why can you not bring people in from divisional centres such as Hornepayne, Sioux Lookout or the radar base at Armstrong, and have them take the training? What is the impediment to fitting them into this particular scheme? Suppose we have 800 people in Port Arthur and Fort William who are trained in survival

work but there are none in these centres which are key centres of the dominion-wide transportation system?

The minister may recall that when Japan entered the last war there was a tremendous amount of sabotage, and immediately the transcontinental systems were guarded over their whole length for a limited time until the worry about sabotage was over. My point is that these national transportation systems are of key importance. One well placed bomb at Nipigon would tie up our road and rail facilities right across the country. The same thing applies to a number of places in the Canadian shield. This is an aspect of the emergency organization, and we need people at these points of responsibility. It seems to me it is obvious, it is key, it is short range, it is immediate, that you need these people. Pleased as we may be to have a nucleus in Port Arthur and Fort William, the real need in an emergency sense to knit the country together is out in these places.

We have had no indication from the minister that this goal is in the minds of the people who are planning this course. I may tell him that I know it is not, as a result of talking to the officers who were conducting the course. I repeat that I feel it was an excellent course. They have no indication that they are getting a wide response from the district. They certainly could not confirm for me that the Canadian Pacific Railway or the Canadian National or Trans-Canada Air Lines were seizing the opportunity to get their personnel trained in these courses. I am not expecting an answer from the minister. I just wanted to sort of underline the weakness which seemed apparent to me in the scheme.

The last point upon which I should like to touch, Mr. Chairman, relates to our military forces in Europe. I should like to ask the minister what armoured carrier these forces have at the present time, or what armoured carrier is in the process of preparation for them. I am wondering particularly whether or not any of the British Saracen vehicles are being provided or are in use by our troops in Europe.

Mr. Harkness: In so far as the hon. member's point of view is concerned, I would agree with what seems to be the basis of the hon. member's contention. If everyone in Canada were trained in survival measures and emergency measures techniques generally, that would be the ideal situation. However, you cannot accomplish that purpose overnight. We made a start on it by attempting to train 100,000 people. Before starting to pick out some people from every town in the country and train them, I think the practical thing was to go ahead and train some people where the facilities for training existed.

In the second place, the hon. member talked about possible tie-ups of transportation and so forth. I feel the hon. member is confusing two completely different matters. There exists under the general emergency measures organization a transportation emergency set-up in which employees of the two railways as well as the trucking people have a part to play. Plans have been drawn up in order to ensure that transportation can be maintained in the country, and that where breaks occur they will be repaired quickly. In other words, that is a phase which does not come under my department at all. It is part of the general emergency measures organization activities.

Then the hon. member asked about the type of armoured carriers being used in Europe. At the present time we have some armoured cars for use of the brigade in Europe. The intention is, of course, to provide the brigade in Europe with the Bobcat, the new armoured personnel carrier, as soon as we get delivery of this vehicle.

Mr. Fisher: I have a question on the order paper for the Minister of Defence Production in relation to this vehicle. But having said this much, I wonder if the minister could indicate whether consideration was given to the Saracen which is, I understand, a British vehicle that parallels the Bobcat and which, I gather from British sources, is immensely successful. If not, was any attempt made to see whether or not the Bobcat could be provided for more forces in NATO than merely the Canadian?

Mr. Harkness: I am not familiar with the Saracen, but this I do know. There is nothing in the British army at the present time comparable to the Bobcat. The British are not as far along in the development of an armoured personnel carrier which will be somewhat comparable to the Bobcat as we are. They have had such a vehicle under development longer than we have. This is an amphibious tracked vehicle capable of going over terrain of every kind. There are, in several of the armies of Europe, armoured personnel carriers which are wheeled vehicles, but they possess the disadvantages of all wheeled vehicles in that they are road bound and of course they have no water barrier capabilities.

Mr. Fisher: On previous occasions, Mr. Chairman, the minister has indicated that these vehicles would be coming into use in the Canadian army. May I ask him, in relation to the general estimates of expenditure for the coming year, will any of the moneys

be going for the actual provision in service of the Bobcat, or is it not likely to come into service until 1963?

Mr. Harkness: So far as this year which we are discussing is concerned, 1961-62, of course none will come into service. During the next year, 1962-63, the first 20 vehicles will have been completed and a start made on the run of 480 which we have on order.

Mr. Hellyer: Last evening we received an interesting confirmation. The minister confirmed to us that there was no continuing relationship between graduates of the civil survival training course and the armed forces of Canada. This raises the question as to why these public funds should be expended on their training, and whether in fact the training course was intended to be a survival training course or whether it was intended to be a combination recruiting campaign and unemployment relief measure. From the figures the minister gave us as to the success of the recruiting aspect of the course it would seem to have been a very expensive recruiting campaign, probably the most expensive that this country has ever undertaken. From the relationship that exists between the graduates and the armed forces of Canada, the minister has demonstrated that the course has been somewhat futile as well as the most expensive civil survival training that has ever been undertaken by Canada.

I think the minister's revelation points up also the lack of co-ordination between the armed forces of Canada and the emergency measures organization. This is not a new problem, but it is obviously a problem which has not been solved. The army is training people and returning them to civilian life. Once they are returned they have no responsibility to or direct connection with the emergency measures organization which is charged with certain aspects of national survival.

There is a great deal that the minister should explain in regard to this program. What he has told us so far seems to confirm the rumour which has been circulating that the first notice the Canadian army received of this program was when they read about it in the daily newspapers. Perhaps it is true that it was conceived in the Prime Minister's office as a measure to reduce the unemployment figures, which are published periodically in Canada, to a lower level during the year immediately preceding a general election. Is this the purpose? If so, the minister should advise the committee so that we can study it on its merits as primarily an unemployment relief measure. On the other hand, should the minister tell us it is part of our recruiting campaign then he should also inform us what the cost is per recruit, and whether this is the most effective method of recruiting new men for the armed forces.

If the minister really expects us to take him seriously when he suggests that these people are being trained for survival operations in the event of attack on this country, then he should explain how the government, if not his department, intend to co-ordinate their activities with this conglomeration of survival organizations which has been set up, in such a manner that there will be some continuing benefit to the Canadian taxpayers who have footed the bill.

I hope that before we go any further the minister will explain in much greater detail the purpose, the results and the benefits of this whole survival training course.

Mr. Harkness: The remarks of the hon. gentleman merely serve to demonstrate his complete divorcement from the realities and actualities of the situation so far as this training program and these matters generally are concerned. The program was not conceived in the Prime Minister's office. It was conceived in the department of defence, and all these statements that the hon. member made about the army not hearing of it until they read about it in the newspapers are on a par with other ridiculous statements which he is constantly making—

Mr. Hellyer: It was not my statement.

Mr. Harkness: It was a statement with no basis of fact whatsoever. The accusation that it was designed as an employment scheme is also quite incorrect. The scheme was designed as a means of securing the largest possible number of people trained in survival techniques in the shortest possible time which we could see was practical to achieve. After looking at the matter very carefully the army considered that they could train up to 25,000 people on one course, and that they could not train any more than that. We gave consideration to training 30,000 to 35,000 men on a course, but after looking into what the capabilities were so far as army accommodation and training staffs were concerned it was finally decided that 25,000 was the maximum number who could receive practical training at one time. That is why that particular number was decided.

So far as this idea of the army continuing some control over these men after they leave the courses is concerned, unless you have some type of conscription that is just not possible. When the members of the regular army complete their term of engagement the army has no further control over them. They go their way and enter civilian employment. The army has no continuing strings

on those men, and the same applies to people who serve in regular militia units. Any time a man serving in a regular militia unit decides he does not want to serve any longer he turns in his uniform and the army generally has no further strings on him or control over him.

These people enlisted in the militia for a specific six weeks period and, just the same as any other regular militiamen who finish their period of service, when they finish that period of service the army has no means of asserting any control over them. This idea that there should be continuing control over them is just a fanciful myth of some sort which, under our system at the present time, cannot be implemented.

Mr. Hellyer: In the United Kingdom there are various classes of reserves, and the reserves there are subject to call-out under certain conditions. We had something similar in this country toward the end of the second world war, and following it. Surely it would not be unreasonable for men who are trained in civil survival to be listed as members of some class of reserve, or subject to call-up in case of national emergency. Perhaps the minister would explain why he is training men in civil survival, men who are going back to civilian life and who will not be members of any reserve or subject to any call.

Mr. Harkness: The hon. member has referred to the situation in the United Kingdom. I would point out that in the United Kingdom they have had conscription. They still have it, as a matter of fact, although they are not conscripting any more people, but a considerable number of the people they have already conscripted are being retained in the armed forces for a further six months period beyond the term when they should be released; and as a concomitant of their conscription program they have a system of people having to serve in the reserves after being trained a certain length of time, and being subject to call-up. We have not got a system like that in this country. Therefore the situation in the United Kingdom is not comparable from that point of view and we have no means of keeping any strings on these people or on any militiaman once he decides to leave the militia.

Mr. Peters: I think the minister will agree that the plan has been successful to some extent, particularly among classes of people like veterinarians, doctors and professional people like that who took these courses as part of their own organizations and who went back to their own areas full of enthusiasm for the program. I have talked to some of them, and they lamented the fact that on a voluntary basis they cannot maintain liaison with the E.M.O. organization so that the training they got can be kept up to date. They undertook these six weeks courses at a sacrifice and very much at their own expense, because the amount of money they lost was certainly not compensated by the payments they got from the government.

I believe some organization should be provided for them. It does not have to be as military minded as the militia, but it could give them some leadership. As the minister is probably aware, there is no emergency measures organization in my area and many other areas of Canada. The heads of local organizations cannot be retained because, as the minister explained, the whole operation does not come under one department and surprisingly even gets into the hands of the Department of National Health and Welfare.

In my opinion it is not necessary to have any type of conscription, but there will be large numbers of trained people, particularly from municipal councils and the professional classes, who would wish to continue their contacts and would like to increase their understanding of the problem through correspondence, in order to keep up to date on the latest moves. The government could do something in this field in order to have close liaison with these people, and I believe it should make available some organization which would facilitate this type of further training. A six weeks course is very valuable as a beginning; it is very much of a beginner's course in the field of survival, but unless something further is done to follow up this training, and unless this organization is kept together and these people are made some use of, much of this training will have been wasted.

I agree with the minister that many of them would not want to go into the militia, where they would be under instruction to do this, but most of them have been impressed with the training they have received. The staff that was giving this training, particularly at Arnprior, were imbued with the desire to do something for somebody else in the field of survival. I think these people would volunteer quite readily to give up at least one or two nights a month to continue the organization, if we are going to build one.

I think frankly, and the minister can correct me if I am wrong, that this training has not led to our establishing an organization for national survival. This is not what this program has done. We are not taking advantage of it. I think it is only fair to the people who volunteered to take this course that the government should give some consideration to making available an organization which

would allow them to continue the work which they felt they were beginning when they volunteered to take this type of training. I think the government should provide the vehicle whereby they can continue to serve their community in the capacities upon which they decided in line with the training they were given by the government.

Mr. Harkness: Mr. Chairman, there are all kinds of organizations in existence at the moment which these men could join and carry on and make good use of the training they have received. There are the municipal emergency measures organizations in a large number of municipalities; there is the St. John's ambulance organization; there are the emergency firefighters organizations, and so on.

Mr. Hellyer: The Boy Scouts.

Mr. Harkness: There are a very considerable number of organizations which these people could join and make use of the training they have received. The idea of the dominion government starting to set up another special organization is just completely impractical.

Mr. Peters: The people who took these courses came in most cases from the organizations the minister named, and they are now looking for an over-all organization which will bring them all in together and give them some purpose in continuing whatever beginning they made in survival training. In northern Ontario, for instance, we are now establishing emergency medical depots, the stockpiling of medicines in various centres. This is also, I presume, going on throughout other parts of the country. We are building an organization, the emergency measures organization, but in my particular area we have not even been able to keep anybody as the head of this organization. You cannot co-ordinate; the organizations are not getting together. I think the training which the government has given these people is greater than the regional heads of the emergency measures organization have received.

I am sure these people want to continue. They were impressed with what they were taught. A number of them have come to me and said it is unfortunate that this whole training scheme is without a follow-up program so that some advantage could be gained from it. If a person is unemployed and only goes down and takes the training for six weeks of employment, that is one thing; but if people take time off from a job—and professional people lose a considerable amount of money by doing this—and have done it in a public service spirit, then I think the government has the obligation to do this.

I might ask the minister, what co-ordination is there in most areas in the stockpiling of supplies, and what is the relationship to the emergency transportation organizations that he mentioned, and those others? Who co-ordinates them; where is the head of it established; how is it broken down regionally; and does he not think that this could be organized so that it is all brought together and one organization is responsible for it?

It is well and good to talk about the emergency firefighters, the St. John's ambulance organization and the militia, because the militia is in no different position than the others, as far as I have been able to ascertain, when it comes to nuclear attack and the emergency that will arise as a result of that attack and the organization that will be demanded. They have not been given much more leadership in this field than have the other organizations.

I think the minister will agree that now is the time for us to co-ordinate all these things and go ahead in some direction. It may be that more is being done under the Department of Health and Welfare, but I will be very surprised if it is not eventually going to be a decision of the government that this will have to be co-ordinated under the Department of National Defence. This will be the only value that the Department of National Defence will have if there is a nuclear war. Their only value will be in the field of national survival. I would think that the only place where this could be co-ordinated would be under the minister's department, and I think the Canadian people are now looking to the government to decide what we are going to do with the training we have provided for 100,000 people, which the Prime Minister said was going to be extended to a great many more people than under just this one initial program.

I think the time has now come for the government to indicate that they are going to set up a co-ordination organization that will be able to handle all these various facets of survival and give leadership to the many, many people who have volunteered for these courses, at sacrifice to themselves, who are now looking for leadership and who, if they do not receive this leadership, will obviously be of the opinion that they have wasted their time.

Mr. Harkness: Mr. Chairman, I think I should observe that the hon. member is more than two years out of date in making this proposition of some co-ordinated survival measures organization. We did that some two years ago; it is set up in the Prime Minister's office. We have a very active emergency

measures organization which has been co-ordinating the activities of all departments and the provinces for the past two years. I think everybody who is really actively concerned in this program and knows anything about it, particularly all the people concerned in the provinces, would be very ready to tell the hon. member that a very great deal of progress has been achieved during this past two year period, and the whole emergency measures set-up and organization is in such a far better state of health now than it was that there is just no comparison.

Mr. Peters: Does the minister not read the local newspapers? Does he not remember that it was only very recently that we had this difficulty in the city of Ottawa with the emergency measures co-ordinator? This also happened in the city of Toronto. It has happened in my area at least three times. It has happened in the Timmins area, and it has happened in every area with which I am familiar. While I am aware that on paper we may have this organization, it does not appear to me from reading the newspapers that we are really accomplishing this end. If when this course is given there is an indication that these people will be fitted into a niche in the emergency measures organization, I am quite sure they would avail themselves of that opportunity. It is because I do not think it is working, in a practical sense, in many areas that I think this training should be geared to that particular program.

Mr. Pearson: Mr. Chairman, the minister's reaction to the criticism that has been advanced about this operation and the suggestions that have been made confirm the suspicion in the minds of some of us that one aspect of survival which was in the minds of the government when they put this program into effect was the survival of the government itself.

In respect of the co-ordination of civil defence and survival measures, the minister says everything is fine, things are being co-ordinated beautifully; that we do not really know what is happening when we make these criticisms this afternoon. The minister would have a very difficult time substantiating that position from the evidence and the information we have received in the house about the way these survival courses have been carried on and the continuing value to survival work of those who have been trained in these courses. We have learned that only a minority of those who graduate from these courses sign up for either the regular forces or the militia, and therefore only with respect to that minority is there any assurance that the training which has been received will be of value to the population. I have not got the exact figures; I believe the minority is a substantial one, and I am not criticizing the quality of the training these people receive. Perhaps it has been most effective. But the minister says nothing can be done about those who have graduated and who do not join the forces. He says we can exercise no control over them. That may, of course, be right, but it does not answer the question. The minister says we have a wonderfully co-ordinated emergency measures organization. If that is the case, surely those in the government who are planning these survival courses should at least have taken steps to ensure that those who graduate from these courses, and who have acquired the experience and the skills which will be of such great value in the event of the awful tragedy of war, should somehow or other be made available for the purpose for which they were trained; at least to the extent that information about them would be sent to the local authorities and organizations which have been mentioned today. Surely it would not have been too difficult for those in charge of these courses to have got that information and made it available to those concerned—

Mr. Harkness: I said yesterday that this information is available.

Mr. Pearson: —and to have kept in touch with the people who have graduated from the courses to see that their services were of continuing benefit to the community. The government has apparently done nothing at all in this field.

Mr. Harkness: The hon. member should have been here yesterday to hear my speech.

Mr. Churchill: He has been away for ten days.

Mr. Pearson: I read the minister's speech in *Hansard*, and that is one reason I am speaking this afternoon. The minister has not given in his speeches an answer to the points I am making. He has given us no assurance that those who graduate from these courses will be made available in an emergency to those who might need their services. No effort is being made to keep in touch with them once they graduate. Does the minister deny that? If he does, perhaps he will tell us what is being done to keep in touch with these people.

As is so often the case with this government, they prefer a one shot operation to something that is planned, or to something which has a continued value and benefit.

Mr. Martin (Essex East): They like putting on a show.

Mr. Pearson: Yes, as my hon. friend from Essex East says, they are more concerned with putting on a show than with permanent results.

Mr. Churchill: Is that what you have been doing?

Mr. Pearson: Let the minister tell us what assurance we have that the majority of the graduates of these courses, who have been given this excellent training, will be available to give the population the benefit of that instruction should an emergency arise. Is there any way by which the emergency measures organization or any other government authority can get in touch with these people should they be required in an emergency? Does the government know anything about them once they have graduated from these courses, unless they join the military forces of Canada?

Mr. Harkness: The hon. member started out by saying he had suspicions in his mind about the purpose of the courses. I often think that is all he has in his mind, suspicions. As far as this point to which he and some other hon. members have been directing a lot of attention, namely that the government should keep these men under its thumb, that the government should conscript these men in some way—

Some hon. Members: No, no.

Mr. Harkness: That is the whole argument the hon. member is making. He does not use the word "conscription" but that is the implication of everything he has been saying. Other hon. members have spoken on the same lines. As I have already pointed out, in this country we have no means of doing that. The names of these people, their addresses, their occupations and so forth are kept, and these are made available to the officials of the local emergency measures organization. Of course those who have taken courses are encouraged to join either the regular militia or the emergency measures organization or the St. John's ambulance corps or any other organization of that kind which is organized to give assistance in various ways in the event of an emergency. I submit there is really nothing further we can do under our present system to make use of these people. The argument advanced by the hon. member would lead to the conclusion that you should not train anybody unless you can keep him completely under your thumb and make sure you can get him the moment you want him.

An hon. Member: Nonsense.

Mr. Harkness: That is not the system of government under which we work.

Mr. Hellyer: You have no system. That is the trouble with your government.

Mr. Harkness: Now the hon. member for Trinity is starting to talk. Everyone realises that this scheme is a very successful scheme.

Mr. Chevrier: Read the press.

Mr. Harkness: I think nobody in this committee can go to the people who have been employed in carrying out this scheme and get any other story from them except that it has been extremely successful and that the men who have been turned out are of good calibre; that they have entered with interest and zest into the training, with the result that remarkable success has been achieved.

Of course the hon. member for Trinity decried this program when it was announced. He poured scorn on it and said it did not amount to anything, as is his practice with regard to anything this government does. He said it was going to be Harkness' broomstick army. Those words will come back to haunt him. They have already done so, as a matter of fact. The attempt on his part to discredit this scheme, as well as his hope that it would not be successful, have proved completely inaccurate, as have most of his utterances and statements. As I have said, the scheme has been extremely successful. The Leader of the Opposition made the point that only a small proportion of those who have been trained have gone into militia units. That again is inaccurate. Of the 39,000, I believe, who successfully completed the first two courses, 14,000 have gone into the regular militia—a very high proportion—and another 2,600, I think it was, volunteered for the regular forces. Some 1,400 of these have been accepted into the regular forces.

Mr. Churchill: Splendid.

Mr. Harkness: Thus it can be seen that a very high proportion of the people who have taken these courses are making definite use of them in the militia or in the regular army. In addition, a considerable number of people were given time off from employment to take these courses on the understanding that they would go back and set up emergency measures organizations in their own factories, offices and so forth. Those people are now engaged in that type of activity.

Mr. Pearson: The minister is now following his usual tactics; when he is unable to deal with the points which have been raised he misrepresents the position of those who

have been making them. No one on this side of the committee suggested exercising control or conscription or anything of that nature over the graduates from these courses. That is a ridiculous interpretation of what we have said, and the minister knows it.

Mr. Harkness: There can be no other interpretation.

Mr. Pearson: Moreover, no one on this side has said anything reflecting in any way on the calibre of the men who are taking these courses or on the calibre of the instruction.

Mr. Churchill: You are in full retreat now.

Mr. Pearson: I said a few moments ago that only a minority of these graduates joined the forces, and the minister has confirmed that statement.

The minister has said that the names and addresses of the men are taken and that they are available to the municipalities and to the E.M.O. as well as to other organizations. They are available, but has the government taken any steps with regard to those graduates who do not join the forces, either regular or militia, to make sure that their names are brought to the attention of those organizations which might be able to use the expert services of these men in an emergency? Has the government made any effort whatever to keep in touch with these people after they have graduated? Has the government, for example, told them "If you change your address keep in touch, because we might be able to use your services in the future"? It is one thing to say that the names are available. I suppose the names and addresses of most people in this country are available if you want to hunt them up. Has the government taken any initiative in making arrangements so that the experience gained by the graduates of these courses who do not join the forces will be available to those who may need that experience, or do they just wash their hands of the whole affair once they leave the courses?

Some hon. Members: Carried.

Mr. Martin (Essex East): Can the minister tell us how many of these graduates have gone into the civil defence organization and how many have joined the St. John ambulance association? Has the minister those statistics?

Mr. Harkness: No.

Mr. Martin (Essex East): That shows how serious the government is.

Mr. Harkness: Mr. Chairman, the hon. member says "That shows how serious the situation is" or something along those lines.

[Mr. Pearson.]

When he was in charge of civil defence in this country he did practically nothing for a long period of several years. When the hon. member was the minister in charge of civil defence he did practically nothing. Now he makes implications along these lines.

Mr. Martin (Essex East): I do not propose to get into an argument with the hon. gentleman, Mr. Chairman, as he always comes out second best. I would simply say this. Assuming the validity of his argument, may I say this; and I am just assuming it. Of course we all know that when I was in charge of civil defence I could not possibly warrant the accusation which the minister has made against me. However, I am not on trial now. It is the minister who is on trial. What we wish to know is not what I did but what the Minister of National Defence is now doing. He has said that this organization has served not only its designated purpose but that its personnel is available to civil defence establishments in local areas, that it is open to voluntary organizations like the St. John ambulance association, which do much civil defence work. That is a statement by the minister. What we are asking is how many have gone into those organizations. Let us see whether there is anything in the statement the minister has made. If he cannot tell us, the only conclusion to which we can come is that the government has not had a follow-up system, that it does not know how many of these individuals who have received this training have gone into these various auxiliary organizations. If that is the situation, obviously the government is not doing its job.

Mr. Harkness: It is quite evident, Mr. Chairman, that the hon. member is either talking about something about which he has no idea or that he is trying to make a case without having anything to substantiate it. Quite obviously I have not the roll of the St. John's ambulance association or of all these voluntary organizations.

Mr. Martin (Essex East): We had when we were in office.

Mr. Harkness: I therefore have no means of determining how many graduates of these special militia courses have gone into these organizations. I have no means whatever of knowing. If I tried to set up a means of doing that it would cost a very large amount of money, and the hon. member would be complaining that I was wasting the taxpayers' money on personnel who were not in fighting units.

The Deputy Chairman: I recognize the hon. member for Peterborough.

Mr. Pitman: To deal with another subject which—

Mr. Hellyer: I wonder whether we might carry on this discussion for another three or four minutes and complete it before we turn to another matter.

The Deputy Chairman: The hon. member for Peterborough has the floor unless he yields to the hon. member.

Mr. Pitman: I will yield.

Mr. Hellyer: I should just like to say this. I listened in sorrow to the minister's pitiful remarks of a few moments ago. He has advised this committee that the graduates of this course will be of continuing service in respect of survival operations. Yet surely one of the prerequisites of survival operations is survival equipment. If there is no connection between the graduates and the army or the emergency measures organization, they have no access to equipment. If they have no equipment, how can they fulfil the function for which they were trained? This is fundamental to the argument. It does not matter how much training they have; if they have no equipment with which to work and if there is no chain of command, they are completely ineffective to fulfil a survival role, which is the role for which they have been trained.

What is required in this instance is some leadership. The minister and the government are not providing the leadership required. He has demonstrated again this afternoon that there is a mental block between the army and the emergency measures organization, that there is a cleavage of authority between them whereas they should be completely co-ordinated. He said the co-ordination is in the Prime Minister's office. He said that is where the co-ordination is taking place. The co-ordination that has taken place so far could then be characterized as a paper salad. It has been tossed and turned and no one really knows who is in charge in case of emergency. That is something the minister should tell us. He should also tell us whether the records of these graduates are stored in bomb proof shelters so that in the event of an attack the emergency measures organization will be able to find them and send them letters asking them to report, or communicate with them by whatever other means they would be called upon in case of emergency. These are pertinent questions on a very serious subject.

He says, of course, "If you go and talk to any of the people concerned with the course they will all tell you it has been a success". Perhaps most of them will do so, but perhaps some of them might be afraid to express what they really feel as, on a related subject, I hear that the minister was in Gimli recently and that he went around the base there asking civil servants and members of the armed forces how they were going to vote. I should ask the minister what right he has as a minister of the crown to do this. Second, perhaps this is the reason he expects that members of the armed forces and civil service would be disinclined—

Mr. Harkness: I rise on a question of privilege. The hon. member for Trinity has made a completely unfounded assertion for which he has absolutely no authority whatever. I have never on any station I have visited asked anybody how he was going to vote. As a matter of fact in an election campaign I have never asked anybody how he was going to vote. That is not the way in which I carry on electioneering. That is perhaps why I have been here a great deal longer than the hon. member for Trinity, and why I shall still be here a great deal longer than he will be. The hon. member is so naïve that apparently he thinks the way to electioneer in his own constituency or any place else is to go and ask John Jones how he is going to vote. I can tell him right now that is a great mistake. I can assure him and the committee that this assertion he has just made is completely false.

Mr. Hellyer: I am obliged to accept the minister's word. All I can say is that the person who passed the information to me was asked by the minister how he was going to vote.

Mr. Harkness: If the hon. member has any information along that line I wish he would send it to me.

Mr. Hellyer: Then you would fire him.

Mr. Harkness: No.

Mr. Hellyer: The minister certainly would do so.

Mr. Harkness: I will get a sworn statement, as a matter of fact, that there is no truth whatever in that assertion.

Mr. Hellyer: And if I obtained a sworn statement from him, the minister would fire him.

The Deputy Chairman: Order. I recognize the hon. member for Peterborough.

Mr. Cathers: I rise on a point of order. I think the hon. member for Trinity should withdraw the statement he has made.

Mr. Chevrier: I do not think the hon. member who has just interrupted knows the rules of the House of Commons. The rule is that if

an hon. member makes a statement, what the other hon. member has to do is to accept it. The hon. member for Trinity has accepted the statement, and that is the end of it. The hon. member had better read the rules.

Mr. Harkness: He did not accept it. He repeated it. He repeated the falsehood.

Mr. Hellyer: The minister is obliged to accept the statement I made.

Mr. Harkness: I do not need to accept hearsay evidence such as that put forward by the hon. member for Trinity. I know of my own knowledge that this statement is an absolute falsehood. The hon. member should apologize for having made that statement in this chamber.

Mr. Hellyer: The minister gave us a good deal of hearsay evidence in this House of Commons.

An hon. Member: Withdraw.

The Deputy Chairman: I recognize the hon. member for Peterborough.

Mr. Pitman: Under the responsibilities given the Canadian army comes the system of warning. Although I raised this matter previously, I feel that I cannot leave it on the present basis. I feel that there is something wrong with the system of warning that we are at present using. There are a great many sirens spread across this nation, and they have become something of a joke in many communities which I have visited. I do not know when the decision was taken to use this type of siren. I should like to have that information. I should like to know who produces these sirens, whether this type of siren is used in the United Kingdom or the United States, and the total cost of the siren system so far. I do know that these sirens do not have the confidence of a great many of the people who are working in the emergency measures organization.

At page 293 of *Hansard* for January 29, 1962 hon. members will find a question I asked with regard to siren failures during exercise Tocsin B last fall. Across this nation 53 of these sirens failed to sound at all and there were 70 partial failures. The centres involved were Halifax, Montreal, Ottawa, Belleville, Toronto, Fort William, Oshawa, Sault Ste. Marie, Windsor and Essex among others. All these areas were affected by siren failures.

I do not think those of which have sounded have ever been very successful, and the only procedure that has been adopted has been simply to throw in more sirens at a cost which I think is becoming almost unreasonable. The sirens have a high pitched tone which I think is extremely unfortunate. During the debate last year, on September 14, 1961 I asked the minister a question with regard to the testing of these sirens. His reply was that the only way in which you can get a test which will be valid in various parts of Peterborough or anywhere else is on outside audibility. Later he said that the only way in which you can get any sort of test which is standard or uniform is on outside audibility. I have here in my hand a form which was circulated in my city with regard to siren audibility.

Mr. Chambers: On a point of order, Mr. Chairman, I do not want to restrict the hon. member too much but there are no funds provided in this vote for the purchase of equipment and, specifically, no funds for the purchase of sirens.

Mr. Pitman: I am sure the parliamentary secretary will agree that this money for the Canadian army will be spent in part on the salaries of those who are maintaining these sirens. Perhaps we can go on. With regard to siren audibility, there was on that form a place for comment respecting both outside and inside audibility. I think this should be made very clear. It certainly was not made clear in the minister's remarks last year, when he indicated that the tests were made on the basis of outside audibility and that so far as inside audibility was concerned the sirens simply were not heard.

I have some indication that something is being done in this area with regard to some possible form of non-siren warning system. I express the sincere hope that something very important is taking place in this field, because to my way of thinking the sirens which have been bought are not very worth while. I can cite the opinions of several of my constituents who were overseas during the last war and who are familiar with sirens which certainly were loud enough almost to wake a person from the dead. They tell stories of hearing 10 or 15 different sirens turned on. This is certainly not true of the sirens we are using now.

I should like some information on why this type of siren was used. Are there any other countries using it? I should also like more information on what the alternatives are to this siren, and when we may expect an alternative warning device to be in use across the country.

Mr. Harkness: Mr. Chairman, at the time of the last exercise we had over 500 sirens in operation. At the present time we have upward of 1,000 and by the end of July we will have something over 1,600 in operation. There

is no question but that the number of sirens in operation at the time of the last exercise was not sufficient. As far as the size and power of the siren are concerned, the sirens are considerably bigger and more powerful than those which were in existence under the program formerly in the Department of National Health and Welfare and which we have been replacing with bigger and better sirens.

As to the matter of testing the intensity of the sound of a siren, by any scientific means at all this can only be done at various distances outside buildings, because inside buildings the amount of sound that will be heard depends altogether on the construction of the building, the part of the building in which people are and so on. There is no doubt that if these sirens are sounded in summertime when doors and windows are open they will be heard in practically all households when the program is completed in those areas where sirens are installed. In the wintertime, however, when windows and doors are closed and when a radio or television set is perhaps operating, there will be houses in which the sirens will not be heard.

This is just one of the facts of life. If you are going to have a complete warning system it is realized, as has been said many times, that you need some other type of device. Several such devices have been under investigation, particularly one known as NEAR. I have forgotten what the letters stand for, but it is a small black box which you plug into any power outlet. This system has been installed in the state of Michigan and in some other places in the United States. Stations have to be established in the power system so that when the warning is sounded it actuates the box which gives off quite a loud warning note. There is no question but that something along this line is the only complete answer to ensuring that people in all buildings and all rooms in various buildings will be warned.

Mr. Pitman: Can the minister indicate when there will be some hope of installing these new devices? I am sure he will admit that if there were 500 sirens in exercise Tocsin B and 53 failed and there was partial failure of 70 others, according to the return which I received, that means that over one fifth of them were not working properly. This seems to me a terribly high rate of failure.

Mr. Harkness: This whole matter is under very active study, of course, and we are starting to conduct an experimental survey as to the practicalities of the NEAR system from the point of view of possibly making use of it. That will be under way fairly soon. With respect to the number of sirens that failed, a large number of those failures were due to the fact that the telephone and other circuits by which the sirens were actuated were not properly connected. The thing had really just got under way and, as I think the hon. member realizes, any program of this sort will run into quite a few snags, but those snags are rapidly being ironed out.

Mr. Martin (Essex East): Can the minister say whether he knows if there is any foundation for the allegation that has been made in British Columbia that social assistance recipients, are, notwithstanding provincial policy, being forced to join the army's civil defence corps or lose their social allowances? This was raised by a member of the provincial legislature of British Columbia on February 27 last. Can the minister say whether he knows of any such cases, and if there are any what steps has the government taken to avoid this kind of thing?

Mr. Churchill: Who was the member? Was he a Liberal?

Mr. Martin (Essex East): No. One might well have expected it to be a Liberal, because a Liberal would always be on the job. In this case it was Mr. Randolph Harding, C.C.F. member for Kaslo-Slocan.

Mr. Harkness: As the hon. member knows, I have no means of having any knowledge of what is done by local welfare officials. All I know about anything along this line is the case at St. Boniface. I only know about that from what I read in the newspapers, which the hon. member also read. As far as we are concerned we have no responsibility for any action along that line, as the hon. member knows.

Mr. Pearson: Mr. Chairman, the minister said not long ago that the Prime Minister was responsible for the co-ordination of emergency measures and of the emergency measures organization, no doubt, with the survival course results and all other aspects of this problem. The minister was quite satisfied with the co-ordination that had been worked out. He thought that everything would be all right.

I take it that in the event of the awful emergency against which we are preparing—and against which some of these preparations are not likely to be very effective in view of the kind of threat we face—the co-ordination of survival operations and all that kind of thing would be centred in the government emergency headquarters which are now being constructed. They are of a nature which would give security, I suppose, against fall-out and against blast from some explosions—of course nothing could give security against a direct

hit from the latest kind of bomb or missile. If this is the centre for the co-ordination of these activities, how could that co-ordination be carried out by the Prime Minister, if the Prime Minister had responsibility at that time, if he is not going to be at the government emergency headquarters but, as he has stated, remains in his shelter at Sussex street?

Mr. Harkness: It is quite apparent that this has nothing to do with the estimates which are under consideration. This is a question which the hon. member should ask of the Prime Minister when the emergency measures organization is being discussed. The Department of National Defence is responsible for the rescue operations, for the warning systems, for the maintenance of emergency wireless and other communications of that kind and aid to the civil power. These things constitute our responsibility.

Mr. Martin (Essex East): In view of what the minister has just said to the Leader of the Opposition, and in view of the great interest in these matters in the country, may I ask the minister if we are going to have an opportunity of discussing this matter within the course of the next month or so. I mean, it is all very well for the minister who is in charge of one phase of civil defence operations to say "I have nothing to do with shelters; I have nothing to do with whether or not the Prime Minister stays at No. 24 Sussex street in the event of an emergency or moves out". It is all very well for a minister to say that or for the Minister of National Health and Welfare, who has a responsibility in this field, to escape any responsibility for current discussions. However, this diffusion of authority makes it very difficult for us in this committee, and for the people in the country, to ascertain precisely what government policy is, what progress is being made.

For instance, there are some very important questions one would like to ask about the irritation experienced by the premier of Manitoba as a result of the lack of any clear policy on the part of the federal government. The premier of that province built a shelter for himself, but he has become frustrated. He has said that he is no longer going to spend even his idle moments in the shelter, so equivocal has the government become in its civil defence policy. Can the minister give us any indication of the opportunity we will have, before the dissolution of parliament, for instance, to discuss this matter? This is an important question in which the people of Canada are very interested at the moment. Can the minister give us some enlightenment as to how and when we might have the opportunity of eliciting some answers to some questions which the minister says are not his direct responsibility?

Mr. Harkness: Mr. Chairman, all this is quite evidently completely out of order. Every department of the government, as the hon. member should know, has some responsibility now so far as civil defence measures are concerned, particularly so far as the operation of that particular department in an emergency is concerned. As I have said before, that is all co-ordinated by and comes under the control of the emergency measures organization which reports to the Prime Minister.

Mr. Martin (Essex East): That only confirms what I have said.

Mr. Matheson: May I make a brief contribution to this discussion that has taken place. Frankly, at the beginning of this program I had grave doubts that it was possible to take men, many of them unemployed and many of them with no military training of any kind, and make soldiers of them in a short time. I know that in our community the Brockville Rifles undertook this task, and they did it superbly. I took occasion to inspect these groups. I knew something about the E.M.O. operation and the St. John's training, and I thought the co-operation was extremely successful.

The Leader of the Opposition has raised an important point; that is, how do we manage to preserve some sort of control over and communication with these people who have learned something of and who are now interested in this matter of survival? I put to the minister a suggestion that one of the most useful bodies in Canada is the St. John ambulance corps. I know the minister agrees with me in this because his department has done a great deal of work through St. John ambulance, as has the Department of National Health and Welfare. It seems to me that in Canada, as in perhaps no western country, we have skilled people with advanced training in staff work, in military operations and so on, who have devoted themselves to the cause of St. John ambulance particularly, and in recent months to E.M.O. operations. Probably some of these people in Toronto, in Winnipeg and across the country could give the minister's department a great deal of help in respect of this critical matter of co-ordinating these activities.

I suggest that right now the St. John's ambulance corps in Canada knows a great deal more about who should be called out and where they can be obtained than anyone else in the country, including any government department. I think there is nothing

better we can do than to rely on this skill and experience that is available. When we are considering a problem of this kind, one question with which we are always faced is the question of security. There is never a problem of security with the people participating in St. John's ambulance work. It seems to me the minister would be dealing with many of his old confreres in the army, and he could benefit a lot from their judgment and experience in the co-ordination of these activities.

Mr. Harkness: We work very closely with the St. John's ambulance corps. As a matter of fact they have the names of all the graduates of the special militia training courses who have passed the first aid examinations. These names have been supplied to them. They have them, and I have no doubt they are making good use of them in respect of St. John's ambulance work.

Item agreed to.

Royal Canadian Air Force—

645. Construction or acquisition of buildings, works, land and major equipment—further amount required, $31,000,000.

Mr. Hellyer: Will the minister explain exactly what this money is being spent for, for the benefit of the committee?

Mr. Harkness: Mr. Chairman, this particular vote is to make good an estimated net deficiency of $31 million in the cash required for capital expenditure purposes, particularly for aircraft and engines for the Royal Canadian Air Force. The principal item contributing to the deficiency is the CF-104 aircraft. In the main estimates $125 million was provided to meet the cash requirement in support of that program. It is now deemed likely that the actual expenditure will be upwards of $174 million. This estimate includes expenditure of $1¼ million for eight dual CF-104 trainers, procurement of which was authorized during the year and for which no expenditure during this year was anticipated. In other words, we are getting delivery more quickly than we anticipated would be the case.

Other items that contribute to the net deficiency are expenditures of $2 million on support equipment for the CF-101B aircraft, for which no provision had been made in the 1961-62 estimates, and also expenditures for the Yukon, the C-106, of $1.5 million. There were cash surpluses in other items so that the over-all deficiency by the end of March will be $31 million.

Mr. Hellyer: What was the figure the minister gave for the 101B?

Mr. Harkness: The forecast at the present time is for $174 million cash, whereas the estimates provided $125 million.

Mr. Hellyer: Pardon me, the 101?

Mr. Harkness: The 101 was $2 million.

Mr. Hellyer: I wonder if the minister could advise the committee when the first CF-104's are going to the air division in Europe and if, when they arrive there, they will be armed with atomic missiles?

Mr. Harkness: We have no absolutely firm date on it but we anticipate it will probably be around March, 1963.

Mr. Winch: As the majority of this money is to make up a deficiency in the moneys requested for the purchase of the CF-104, will the minister tell us the fire control system of the CF-104 and what type of weapon equipment it carries?

Mr. Harkness: It is equipped to carry air to surface missiles. As the hon. gentleman knows, the aircraft is known as a strike-reconnaissance aircraft and is equipped to carry air to ground missiles which can, of course, be equipped with nuclear warheads.

Mr. Winch: Is it possible to equip those weapons with conventional warheads? Can the minister tell us that?

Mr. Harkness: Yes, anything along that line is possible, as the hon. member knows.

Mr. Winch: That is interesting, Mr. Chairman. That is most interesting. All one has to do is read newspapers and magazines, or talk to the chief of the air staff of the Americans under NATO, as I have done in recent months, and he will explain the fire control of the 104. The fact of the matter is that this aircraft is not designed for conventional weapons, that no conventional weapons are available for it, and no conventional weapons are on the draft board for it.

In view of that information in scientific and technical magazines, in view of those remarks from the highest authorities both in production and in the United States air force, will the minister explain the remark he has just made?

Mr. Harkness: Mr. Chairman, the actual fact is that the Americans have already used this aircraft with conventional warheads.

An hon. Member: That is a knockout shot.

Mr. Winch: It is not the same aircraft.

Mr. Pearson: During the discussion on the army estimate the minister said that there is no use giving massive equipment to a unit which has no means of using it. We are now discussing aircraft and I am thinking particularly of the C-104 which will be the plane to be used—the minister will correct me if I

am wrong—by eight of the 12 squadrons of the air division attached to the NATO forces in Europe. I do not know what the other four squadrons will use. Perhaps they will continue to use their present aircraft, but presumably eight of the 12 squadrons will have these new American C-104's.

The air division for some time past has been allocated a new role with the NATO forces in Europe. We have discussed that role more than once in this house, and we on this side took strong exception to the change of role from that which existed previously, to the new role of strike attack. However the government decided this was the correct role for the air division to perform with the NATO forces, and that is the role which Canada has undertaken. It is a most important one, of course, and it will need the best equipment for its performance.

I assume that when the government accepted this role for our air division in NATO they knew what it entailed, both in equipment and performance. I suppose in a sense it was a compliment to the R.C.A.F. that they were asked to discharge what would be a vital role in defence if an emergency arose. Perhaps they were picked because they were so well trained and were so efficient in their job. I am sure that was the case, but in any event in undertaking this role Canada has undertaken a very great responsibility indeed as part of the collective NATO forces.

Presumably when this role was accepted and undertaken the equipment that was required for that role was that which we have been talking about during the last few minutes, the C-104. Surely it was understood, in asking the Canadian government to undertake this role, and by the Canadian government in accepting it, this equipment was not effective for the role in question unless it had nuclear missiles, baby bombs, small bombs, as the commander of NATO called them. Surely that was decided to be necessary for the effective performance of this role. Yet the minister now tells us that no decision has been made as to whether the planes will be given this armament or not, and that they can use conventional weapons if necessary.

That is certainly not the impression which the NATO authorities have, and I doubt very much if that was the impression which the Canadian government had when they undertook this role and bought this aircraft for that role, knowing that its equipment is not really effective for the purpose it has unless it has this particular armament.

Where does that leave us? We have accepted a vital responsibility in the NATO defences in our NATO air division without having decided whether we are going to undertake that responsibility effectively or not. This afternoon the minister said that perhaps this aircraft will have conventional armaments, missiles with conventional warheads. I ask the minister if the Canadian air division in NATO can do this vital job in NATO if it is equipped with conventional warheads for this role of strike attack?

Mr. Churchill: What do you recommend yourself?

Mr. Hellyer: You will learn that in just a few months.

Mr. Martin (Essex East): You will learn that in about four or five months.

Mr. Harkness: The Leader of the Opposition has been asking for information on what is a self-evident fact. It is quite clear to anybody I think, and does not need any argument, that any weapon system equipped with a nuclear warhead is going to be more effective than if it were equipped with a conventional warhead. This is a self-evident fact and does not need any discussion.

So far as the situation in NATO is concerned, as the Leader of the Opposition knows the provision of nuclear weapons to the NATO forces in Europe is a matter that has been under very active discussion in the NATO council and among the NATO countries for some considerable time past, and no decision has been arrived at as to what the future course is going to be in that regard.

So far as these particular planes are concerned, as I have indicated they will not be going over, or will not start to go over to the air division in Europe for a year, and therefore there is no need at the moment to be saying they are going to have a, b, c, or something else. I submit that it is the course of wisdom for us to wait in this regard until some definite decision has been arrived at in NATO as to the control of nuclear weapons by the NATO forces stationed in Europe.

Mr. Winch: Mr. Chairman, this argument that has just been put up by the minister is positively ridiculous. Surely he knows a lot better than he has just said, because anyone with any knowledge at all of this type of aircraft knows it is a matter, not of days or weeks but of months, and millions and millions of dollars in changing the fire control system of a strike reconnaissance aeroplane of the type of the CF-104. There is a major difference in the fire control system as between the use of a conventional warhead or a nuclear warhead.

We are not just hauling these things out of the air. I have not only seen the CF-104, but I have sat in it. I have seen them armed

as the Americans now have them. It is armed with the Sidewinder; it carries six Sidewinders of two different types. I have spoken to the men right on the job, and they said that if there is any change in the fire control system it will take months to carry out any switchover. We are already buying them, and therefore the minister knows right now what kind of fire control system he is having installed on the CF-104. If he does not, we have no business in purchasing them and having them delivered.

I do not know just what the minister takes hon. members for. We are talking about a serious matter in a serious manner, and I wish the minister would consider the questions and the discussion in that light.

Mr. Harkness: Mr. Chairman, all I can say in regard to that is that the CF-104 will be equipped to take eight different types of weapons.

Mr. Hellyer: Mr. Chairman, the point is simple. The Canadian government accepted the strike attack role. At the time the Canadian government accepted the strike attack role the Canadian government knew it was an atomic role. Now the question is, does it intend to fulfil its commitment to NATO, or does it not? We have a right to know now, because if the Canadian government has no intention of fulfilling its commitment to NATO then it should discontinue the expenditure on the CF-104 and appurtenances at once and we should not have a duplication of the cancellation of the Avro Arrow which happened after $400 million had been spent.

If, however, the government continues with the production of this aeroplane and appurtenances, the Canadian people have the right to assume that it is going to live up to its commitment to NATO and arm the aeroplanes with nuclear missiles. We want to know, because we are the representatives of the people who have to vote the moneys to buy the carriers which are to be used for carrying nuclear missiles, whether in fact the Canadian government intends to fulfil its commitment or whether since it originally made the commitment it has changed its mind for one reason or another and does not intend to fulfil its commitment.

If it has changed its mind since the original commitment was made, it is the duty of the minister, in his capacity as representative of the government on this occasion, to advise the committee the reasons why the Canadian government has changed its mind. Surely we are entitled to this basic, fundamental information before we continue increasing what was first a $125 million and is now to be a $174 million expenditure in one fiscal year.

Some hon. Members: Carried.

Mr. Winch: Mr. Chairman, I would like to ask one more question. I understand from reading the newspapers this morning that the Voodoo aircraft is now operational in Canada and has been transferred from some United States squadrons. As they have been transferred from United States squadrons and are now operational in Canada, could I ask the minister with what type of weapon the Voodoos in Canada have been equipped.

Mr. Harkness: They are equipped with the G.A.R. Falcon, with a conventional type of warhead. It is an air-to-air rocket and missile.

Mr. Hellyer: Mr. Chairman, is the minister not going to answer the questions which I raised and which were raised by the Leader of the Opposition?

Mr. Harkness: I do not believe that the hon. member for Trinity has raised any questions which require any further answer than has been given on numerous occasions in this house and outside of it. I think the position of the government in connection with nuclear weapons has been made abundantly clear and I see no use in continuing to repeat what has been said so frequently before.

Mr. Pearson: Mr. Chairman, the minister may see no use in continuing this discussion which is concerned, among other things, with the ultimate expenditure of something over $408 million, I think, on an air division in Europe, but we see some use in trying to get answers from the minister to questions which are very vitally important.

I think I am right in saying that the minister said a few moments ago that the first of these CF-104 aeroplanes would not be delivered to the air division in Europe until about a year from now. The decision to equip the air division with these aeroplanes was made some time ago and it is certainly, to say the least, unfortunate that it will be 1963 before the first aircraft is delivered. The minister also said that in respect of nuclear weapons the government is waiting for NATO to decide the control of nuclear weapons in the hands of NATO forces in Europe. But no decision is required in respect of the use of nuclear weapons by United States and United Kingdom forces in NATO, because they already have custody of those weapons.

I am perfectly certain in my own mind that if the United States high command had known that in 1962 the Canadian government would not have made up its mind as to whether it would permit the air division to perform effectively the role it has undertaken, the

United States government would have said, "We will take on that role ourselves with one of our own air divisions".

The minister admitted again this afternoon that the weapons system in this aeroplane would be, to say the least, more effective with nuclear warheads than without them. If you are going to undertake a role of such vital importance, surely you are not going to undertake it with warheads which have not their maximum effectiveness. That is what we are doing. We have not made up our minds at all as to what warheads will be used; no decision has been made; no decision will be made until, presumably, the aircraft reaches Europe some time in the future. Meanwhile we tell NATO, "We will continue to discharge this role. We accept this honourable and dangerous responsibility, but we will tell you in due course whether or not we will be in a position to discharge it effectively". That is the position the government has taken in respect of this matter. Then if the decision is left until the squadrons are equipped in Europe, and if the decision should be against using nuclear weapons, the government will have to withdraw from that role. That would be a fine contribution to make to the defence of peace in western Europe. If the decision is taken that we must carry out this role in the most effective way possible, even if it requires the use of nuclear warheads in the weapons system of this aeroplane, then the airmen running these aeroplanes would have to begin to learn how to handle this new equipment, because no decision would have been made before. It is almost impossible to describe the ludicrousness of that position especially in relation to the seriousness of the matters with which we are dealing.

The Prime Minister is reported by the Canadian Press as having said in Edmonton on February 25:

> Should war come, are we going to arm Canadians with bows and arrows?

The only logical deduction one can make from the position the government is putting forward this afternoon is: if war comes we do not know what we shall arm Canadians with, because we have not made up our minds. Then the Prime Minister is reported to have gone on to say:

> Canada has interceptor aircraft which will be more effective with nuclear weapons.

Presumably he would make the observation—the minister made it this afternoon—that our air division will have aircraft which would be more effective when armed with nuclear weapons. Then he went on to say:

> The same applies to the two Bomarc bases built in this country.

[Mr. Pearson.]

Next, he is quoted as saying:

> Should war come we must have every necessary instrument. But we shall not decide until the emergency whether those instruments can be used or not.

That is the position the government is taking. Then, apparently in order to inject some reassurance into that kind of statement, the Prime Minister is reported to have added that he had read the recent report that nuclear warheads could be made available in half an hour to an hour and indicated there was some credence to be attached to that report. In other words, we are going ahead now to plan for missiles and aircraft on the basis that we shall decide later how we shall arm them; and if we decide to change the arms from ineffective arms to arms which are more effective, we can get the new ones in half an hour or an hour. That is the position the government is taking in respect of this vitally important question of equipment for the defence of peace. The best weapons must be available, but the best weapons, apparently, are not going to be available in this case. Second best will not be good enough, but we shall decide when the emergency develops what we are to do about it; we shall decide then whether the F-104 will be effective in carrying out the role allotted to it. We have got a year; the plane will not be over there for a year. Meanwhile, we allow the NATO command and the NATO forces to maintain the impression, which I am sure they have, that when the Canadian government undertakes a definite role it undertakes it sincerely and will do its best to carry it out in the most effective way. This means to the NATO high command the use of the F-104 with the kind of warhead which was meant for this role when it was undertaken a couple of years ago. I take it the minister will agree that it is a correct description of the situation to say that when this role was undertaken, and when it was decided to use the F-104 to discharge this role, it was assumed by this government and by the NATO authority that that role would be carried out effectively with the most effective weapons which would be available, carried by the most effective planes; and that this is the view the government is now taking with respect to this equipment.

Mr. Harkness: The Leader of the Opposition has again demonstrated the facility he had displayed during the last four years of seeming to be on all sides of this nuclear question. In 1958 he was urging the government to conclude an agreement and secure nuclear weapons immediately—

Mr. Pearson: That is not true.

Mr. Harkness: I have the quotations here.

Mr. Pearson: Then give us the proof.

Mr. Harkness: I have only a few minutes before five o'clock.

Two years later he was saying he had made a mistake and that we should not have nuclear weapons in any circumstances. Then, not long ago, he said we should not have them but that we should let the United States come in and have them in Canada.

Mr. Pearson: I did not say that. Quote that.

Mr. Harkness: The president of the national Liberal association out in Calgary said we should have nuclear weapons. Others in the Liberal party say that in no circumstances should we have them.

Mr. Martin (Essex East): What is your position?

Mr. Harkness: In other words, they have now twisted themselves right round in a circle. Now they say that we have no position—

An hon. Member: But you are the government.

Mr. Martin (Essex East): You take a position which is not that taken by the minister for external affairs.

Mr. Harkness: We have a position, and I am prepared to state it again very briefly. We have said, and we continue to say, that the attitude taken by the Leader of the Opposition, both in 1958, and now, when he wants us to answer yes or no to the question "Are you going to have nuclear weapons?" is completely unrealistic and is not the way to approach this problem. We have said that the only wise course, the only course of prudence, is to secure those weapon systems that are capable of carrying warheads and to train men in their use. We have secured those systems. We have secured the CF-104. We have secured the Honest John battery. These are weapon systems which are capable of taking nuclear warheads. We have trained people in their use and are still in the process of training people in their use as far as some of them are concerned. Thus, we are in a position, or will be in a position that, should an emergency develop, we would have weapons in the hands of our forces equal to those in the hands of the enemy they would be required to fight. The position the Leader of the Opposition and his cohorts are now taking, this demand that we should say at this moment what we are going to do, is not related to the facts as they exist at the present time. The opposition itself has no position with regard to this matter, yet they are trying to confuse Canadians with regard to the definite and reasonable position which we have adopted.

The Chairman: It being five o'clock it is my duty to leave the chair so that the house may proceed to the consideration of private members' business as set out in standing order 15.

Item stands.

Progress reported.

PRIVATE BILLS

EVANGELICAL MENNONITE MISSION CONFERENCE

Mr. G. R. Muir (Lisgar) moved the second reading of Bill No. S-5, to incorporate Evangelical Mennonite Mission Conference.

He said: The purpose of this bill is to obtain a charter for the Evangelical Mennonite Mission Conference which has been in existence for a period of four years as an unincorporated association. The objects of the corporation, as the bill states, are to promote, maintain, superintend and carry on, in accordance with the Christian faith, doctrines, constitution, acts and rulings of the corporation, any or all of the work of that body.

The bill allows the central administrative body of the association to administer the affairs of the conference and further coordinate the efforts of the 18 participating churches located in Saskatchewan and Manitoba.

The powers which the corporation is seeking are set out in clause 9(1) of the bill and are similar to those granted to other religious bodies from time to time. At present the total membership of this church is 1400. Four of the churches are located in and around Saskatoon. Eleven are in the area between Altona and Morden in Manitoba which is one of the two areas originally set aside in Manitoba by the administrative council for settlement by the Mennonite people in the early 1870's. Nearly all the members of this group can trace their ancestry back to the first settlers.

This corporate body will also facilitate the missionary work of the congregations comprising its membership and, by pooling resources, make the general work of the congregations concerned more effective.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

BROCK ACCEPTANCE COMPANY

Mr. Murray Smith (Winnipeg North) moved the second reading of Bill No. S-9, to incorporate Brock Acceptance Company.

He said: Mr. Speaker, it will no doubt be observed by the house that Bill No. S-9, is a very short bill asking for the incorporation under the Small Loans Act of a company to be known as the Brock Acceptance Company. The petitioners for incorporation are three business people all of whom reside in the city of Winnipeg. They will become the first shareholders of the company, together with such other persons as may wish to join with them.

The capital stock of the company is to be $250,000, of which $100,000 is to be subscribed before the provisional directors may call a general meeting of the shareholders. There is also a further provision that the company shall not commence business until $250,000 of the capital stock has been subscribed and $100,000 has been paid in on it.

The head office of the company is to be in the city of Winnipeg in the province of Manitoba. It is because incorporation is asked for pursuant to Part II of the Small Loans Act that this bill is in such short form. It follows the form set out in one of the schedules to the act. The powers and disabilities of the company are not set forth in the bill as they are fully set out in the Small Loans Act.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

GERAND ACCEPTANCE COMPANY

Mr. Murray Smith (Winnipeg North) moved the second reading of Bill No. S-10, to incorporate Gerand Acceptance Company.

He said: Mr. Speaker, hon. members no doubt have noticed that Bill No. S-10 is practically identical in terms with the previous bill, namely Bill No. S-9 which just received second reading. The applicants for incorporation are also Winnipeg people and they will become the provisional directors of this company which is to have capital stock of $250,000, with a requirement that $100,000 must be subscribed before a general meeting of the shareholders is called. There is also a requirement that the company shall not commence business until $250,000 of the capital stock has been subscribed and $100,000 has been paid thereon. The head office of this company is also to be in the city of Winnipeg. The company is also incorporated under part II of the Small Loans Act, and the powers and disabilities are fully set out in the said act. Everything about this incorporation is idential with the incorporation under Bill No. S-9 except that the name of the company is different and that the petition for incorporation is by different people.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

[Mr. Smith (Winnipeg North).]

SMALL LOANS ACT

AMENDMENT REQUIRING STATEMENT OF TRUE INTEREST RATE CHARGED

On the order:

January 22—Second reading of Bill C-23, an act to amend the Small Loans Act (advertising)—Mr. Argue.

Mr. Churchill: Dropped.

Mr. Speaker: Dropped.

CRIMINAL CODE

AMENDMENT RESPECTING USE OF TRADING STAMPS

On the order:

January 22—Second reading of Bill C-24, an act to amend the Criminal Code (trading stamps)—Mr. Howard.

Mr. Churchill: Dropped.

An hon. Member: Stand.

Mr. Speaker: Dropped.

CANADIAN SOVEREIGNTY

PROVISION FOR NATIONAL FLAG, ANTHEM AND INDEPENDENCE DAY

Mr. Maurice Allard (Sherbrooke) moved the second reading of Bill No. C-25, respecting the sovereignty of Canada.

He said:

(Translation):

Mr. Speaker, on March 17 of last year, I had the opportunity of introducing a similar bill in this house. As you no doubt recall, it suffered the fate reserved to favourable measures which, in the end, are talked out by hon. members.

I described at that time the development and the reality of our national sovereignty, asking that it be expressed by external signs such as a distinctive national flag, a distinctive national anthem and a Canadian national sovereignty day.

I indicated that these three external signs would promote understanding between Canadians from coast to coast, show that Canadian patriotism is really alive and stir up a national dynamism likely to increase the efforts required for the development of our great country.

I insisted also upon the interpretation the term "distinctive Canadian", by pointing out that it was a question of giving our country a flag and anthem entirely different from any other foreign design or anthem, thereby eliminating the union jack and the fleur de lis.

According to surveys made by junior chambers of commerce in Canada and polls taken by several other organizations or individuals, more than 80 per cent of all Canadians now want such a distinctive national flag and such a distinctive national anthem.

A very small number of Canadians would like to see retained on the flag either the union jack or the fleur de lis.

But I sincerely believe that we must look toward the future. We must stop looking back at the past and we must go forward in the same direction, united under the same entirely Canadian banner.

We must put aside the fleur de lis that reminds us of France but means absolutely nothing to one third of the Canadian population which is made up of new Canadians from many countries of Europe and Asia.

The union jack should have the same fate, it should be discarded, since it is the flag of another country. If we do not have enough imagination or maturity to find our own symbols, then let us sink into mediocrity and revert to the inferior status of a colony.

The union jack, Mr. Speaker, while a magnificent flag, remains the national emblem of Great Britain, by virtue of a royal proclamation of January 1, 1801, and the red ensign, authorized in Great Britain by Queen Ann in 1707 and Queen Victoria in 1864, represents, according to section 72 of the merchant navy act, the national flag for any ship or vessel belonging to any British citizen.

Now, it is impossible even for the red ensign to remain a Canadian emblem, since we have ceased to be British subjects on January 1, 1947, when we became Canadian subjects under the Canadian Citizenship Act. That is why, on September 5, 1945, Mr. King and his colleagues passed an order in council establishing as temporary Canadian emblem the red ensign, until such time as parliament would decide otherwise. Now, the event of capital importance which should have led to a change in that situation, Mr. Speaker, was indeed the political emancipation which was made abundantly clear to every country in the world, when Canada created, in January 1947, the status of Canadian citizen.

Our progressive and actual sovereignty calls for a sovereign and united Canadian attitude. In 1919, Sir Robert Borden signed, on behalf of Canada, the Versailles peace treaty.

In 1923, Hon. Ernest Lapointe signed without the use of an intermediary in Washington our first trade agreement with a foreign country. On December 11, 1931, the Statute of Westminster granted us our sovereignty and independence.

Canadian Sovereignty

This statute marked an important and decisive step in our constitutional evolution. Its effects were felt both in the domestic and external fields.

On the domestic plane, this statute had six main effects, as follows:

Our governor is now appointed by the king on the advice of the prime minister of Canada. He only represents the king and his relations with the Canadian government are the same as those between the king and the imperial government.

The crown must now, by virtue of this agreement, sanction the acts of Canada only on the advice of the Canadian government.

Any act passed by the imperial parliament and in force in Canada can be abrogated to the extent that it applies to this country, except the Statute of Westminster and the various acts based on the British North America Act and the amendments thereto.

No imperial act passed after December 11, 1931 applies to Canada as part of her own legislation.

Canada's power to legislate on merchant navy matters is now legally unlimited.

Canada is free to abolish any appeal to the privy council, which has been done already.

As regards external affairs, here are the five main effects of that statute:

The parliament of Canada can now pass extra-territorial acts and has given that scope to the whole Canadian legislation.

Canada can be and is represented as she wishes in foreign courts. She can and does accredit her own ambassadors.

Canada can and does sign official treaties with foreign governments.

It is up to Canada, through some constitutional agreement, to decide whether she will be bound by a treaty in the negotiation of which she had had no part.

Finally, since the war, the constitutional evolution of Canada has been notable and efficient. A country does not grant nor confer to itself a sovereignty: it has to be recognized by other countries. Now, Canada has played the role of a nation, has exercised the rights and privileges attached to sovereignty, and the other nations have not questioned its right to play such a role. They have recognized that Canada has, in fact, that degree of independence which is necessary to sovereignty. They have sanctioned the fact that, in their eyes, Canada has been acting by and for itself.

Mr. Speaker, there is no doubt that our country enjoys full sovereignty and that it acts, in the international field, as a distinct and personal entity.

That is why distinctive, personal and typically Canadian external signs are imperative. That is the essence of this bill.

I am not suggesting here any specific design nor any anthem in particular. I merely wish that hon. members make a decision on the principle of a distinctive Canadian flag and a distinctive Canadian anthem.

In a few years, we shall celebrate the centenary of confederation. At that time, we shall have to possess external signs of national sovereignty and political maturity; otherwise our hesitation and irresponsibility will prevent us from being abreast of our emancipation.

I therefore urge hon. members to limit their speeches and express themselves today through an unequivocal vote.

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, after reading and studying the bill proposed by the hon. member for Sherbrooke (Mr. Allard), some doubts come to our minds as to the mover's intentions. In fact, the bill makes three requests: a flag, a national anthem and a national independence day.

The hon. member for Sherbrooke, who is generally not too profuse, did not restrain himself this time and set his teeth to a three-decker which may very well choke him.

When considering the language of the bill, one wonders whether the hon. member does not want to reduce or camouflage his government's responsibility.

Section 3 of the bill reads as follows:

> It shall be the duty of the Canada Council to prepare or have prepared, after competition or otherwise, a design for a suitable distinctive national flag free of the emblem or emblems of any other country and to submit the same to the Senate and the House of Commons of Canada within one year of the coming into force of this act.

Mr. Speaker, this has already been done by a special committee. There are thousands of designs in the government's records. The most suitable of those designs should be selected and submitted directly to the government which is responsible for selecting a flag.

We have been talking about a distinctive national flag for a great many years. Mr. St. Laurent expressed his views quite clearly in the house on this matter. Even though this government has been in power for five years, we still do not have the opinion of the Prime Minister (Mr. Diefenbaker) on the distinctive national flag Canada should have.

An hon. Member: What did you do during the 22 years you were in power?

Mr. Boulanger: The Liberals were in power 22 years and there was some talk about a distinctive national flag; the prime minister of the day, right hon. Mr. Louis St. Laurent, did not hesitate to state his opinion on that point.

If the present Prime Minister is against a distinctive national flag, let him say so; if he does not want one, let him speak out.

Mr. Asselin: Are you also in favour of two flags?

Mr. Allard: Mr. Speaker, could I ask a question?

Mr. Boulanger: You may ask your question when I am through. Mr. Speaker, section 6 of the bill reads as follows:

> The anthem mentioned in the previous section—

That is section 5 which reads:

> It shall be the duty of the Canada Council to select after competition a distinctive national anthem for Canada and to submit the same to the Senate and House of Commons of Canada within one year from the coming into force of this act.

In this section of the bill, the member for Sherbrooke (Mr. Allard) is proposing that the Canada Council write another national anthem. But we already have a national anthem which is recognized by every Canadian from coast to coast. I wonder why the hon. member for Sherbrooke insists on complicating matters.

I do not think that we can find one single member in this house who is opposed to "O Canada" as our national anthem. It has been sung for years all across Canada.

As for the section concerning a Canadian independence day, it seems to have been put there to ensure that the bill will not be passed.

Mr. Speaker, if this government does not have the authority to give us a distinctive flag and a distinctive national anthem, I wonder why it should be left to the Canada Council to make a choice.

The present government has repeatedly indicated that there are differences of opinion among its members. This has been demonstrated many times, especially as far as national defence is concerned. If a minister says one thing, another will say just the opposite.

As concerns the national anthem, as for the distinctive national flag, there is no agreement, since similar bills have been introduced for five years in a row, and nothing tangible has been achieved as yet.

The Liberal party has decided, as a matter of policy, that we shall have a distinctive national flag. We shall have a distinctive flag—

An hon. Member: Two.

Mr. Boulanger: —a distinctive national flag.

Mr. Pigeon: Six.

Mr. Boulanger: Hon. members opposite do not want to understand. Yet, our leader has explained the situation clearly and unequivocally. I wonder if they are not blinded by the Union Nationale screen.

Mr. Speaker, I should not like to delay passage of this bill. I know that other members wish to express their views on the subject. So I say that it is our hope that the proposal put forward by the hon. member for Sherbrooke will be accepted as a second best choice.

Besides, at the next session, with the Liberal government in power, we shall adopt a bill which will come into force the year after, as promised by our leader (Mr. Pearson).

An hon. Member: Two flags, two bills?

Mr. Pigeon: Mr. Speaker—

Mr. Allard: I want to direct a question to the hon. member who has just resumed his seat. He pointed out several times that the Right Hon. Louis St. Laurent had not been afraid to express his views on the matter of a Canadian flag. Would he kindly tell us what was the opinion of the Right Hon. Louis St. Laurent on the matter of a Canadian flag? What was it supposed to include?

Mr. Boulanger: I have already said it in this house. Perhaps I am not able to repeat word for word what Mr. St. Laurent said at the time but he did say that as long as the national flag is not a rallying sign, there would be no distinctive national flag.

And since we are talking about a distinctive national flag, I should like to add this: if Mr. St. Laurent, at the time, did not want to give Canada a distinctive national flag, why is it that the Conservatives who, during the 1957-58 campaign, kept promising, all over the province of Quebec, the adoption of a flag, did not fulfil their promise after having been in office for five years?

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, first of all, I shall commend the hon. member for Sherbrooke (Mr. Allard) for having submitted this bill, on which I want to make a few remarks.

In 1967, Canada will celebrate its centenary as a colony, and not as a sovereign state, unless the British North America Act is properly amended.

As a matter of fact, clause 56 of the British North America Act, stipulates that the parliament in London can disallow any act passed by the Canadian parliament. Therefore, there is some urgent need for Ottawa to approach the British parliament with a view to having that clause removed from our constitution.

To my mind, Mr. Speaker, this is the first step towards an independent Canada, that is to say a country with a sovereign status.

Moreover, every Canadian is, at the same time, a British subject, a Canadian citizen and a citizen of the commonwealth.

Any Britisher is automatically a Canadian citizen.

Our country should pass some legislation conferring on every immigrant, from the British Isles or elsewhere, the rights ordinarily granted to immigrants. They should not have the right to exercise any public function before becoming Canadian citizens.

Before adopting a distinctive national flag, it is important for Canada to clearly establish its sovereign status.

We can talk of national independence when we are part of the commonwealth of the United Nations organization and of the North Atlantic alliance.

The word "dominion" should also be removed wherever found. As to the national anthem of this country, "O Canada" is now to my mind, officially recognized.

The Leader of the Opposition (Mr. Pearson), has advocated having two flags: one for Sundays and one for week days. He also favours two national anthems, whereas the hon. member for Bonavista-Twillingate (Mr. Pickersgill), wants six flags.

Mr. Speaker, this indicates the confusion within the opposition.

The Leader of the Opposition advocates two flags and two national anthems, whereas Mr. Pickersgill wants six flags and probably six national anthems.

Mr. Speaker, the promise made by the Leader of the Opposition to give Canada two flags and two official anthems, characterizes very well the policy of his party which wants to divide the country in two and offer a flag and a national anthem to the English-speaking group, and another flag and another national anthem to the French-speaking group.

By this very fact, the opposition wants to destroy confederation and proclaim Quebec

a state separate from the other provinces, another separate country.

Mr. Speaker, give me another example which can contribute more to national disunion, in other words, to the disintegration of confederation.

In closing my remarks, may I refer to an excellent article published in the newspaper *Le Droit*, on February 6, 1962, under the heading:

The impertinence of an M.P.

This is how it reads:

The great pre-electoral tide is evident. The tidal wave cannot yet be perceived. Nevertheless, the heavy foam which appears on the waters betrays the strong rising tide and the desperate efforts of boatmen to reach safe anchorage.

And the article continues as follows:

But everything points to the fact that impertinence will be carried to an extreme. Yes, our country, without a flag after centuries, would suddenly get two. This is truly exaggerating. We are being spoiled. Canadians have surely not lost anything for waiting—This is even better than advertisements about cats for the Congo and contributions for the widow of the unknown soldier. No, Mr. Pickersgill, a country does not grow richer with flags—

Please note the use of the plural.

—by the pair, like an individual buys shoes, snow-shoes or skis—A spare tire can be very useful, but such a precaution is out of place when choosing a national emblem. And, by an irony of fate, the member for Bonavista-Twillingate—

And this also applies to the Leader of the Opposition.

—belongs to a party which, although in power for a great number of years, has not been very prodigal with flags. Yesterday, what stinginess. Today, what generosity. And why not three, six, or a whole dozen of flags, for the different circumstances, just as there are handkerchiefs for colds and handkerchiefs for hired weepers?

And the article continues:

The problem which now exists is not very complicated. Canada needs a flag, not England, nor France nor Palestine. Our country is no longer a colony. There is no question of being disrespectful to the monarchy. Canada has its own queen. If it is ridiculous to give two flags to our country, it is all the more ridiculous to try to give a second flag to proud Albion which has had one for a long while now. How is it that French Canadians who have not forgotten their origin favour a distinctive flag? It is because their devotion to the motherland is not greater than their love for their country.

Mr. Speaker, I just wanted to quote an excerpt from that excellent article.

In closing my remarks, I wish to congratulate again the hon. member for Sherbrooke for his worthy proposal which gives an opportunity not only for free discussion in this house but also for the promotion of the cause of a distinctive national flag.

Besides, I should like to bring to the attention of this house the political confusion

[Mr. Pigeon.]

which is evident among the members of the opposition who sometimes support the adoption of two flags and two national anthems, while the hon. member for Bonavista-Twillingate wants six flags and also six official anthems.

Mr. Alexis Caron (Hull): Mr. Speaker, after listening to the hon. member for Sherbrooke (Mr. Allard) and the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), I say without the slightest hesitation that the hon. member for Sherbrooke has contributed to this debate in a much more serious fashion than the hon. member for Joliette-L'Assomption-Montcalm.

The hon. member for Joliette-L'Assomption-Montcalm at the outset condemned what the hon. member for Sherbrooke had said.

He said that if things go on as they are, Canada will be marking its centenary as a colony in 1967; the mere mention of that fact is ridiculous. Moreover, he spent his time talking first about two flags, then about six flags, stating that the Leader of the Opposition (Mr. Pearson) had favoured two flags.

It is evident to anyone who takes a serious look at the situation that the Leader of the Opposition spoke of one national flag; but he added that the union jack could be kept for those who wish to use it occasionally. Besides, we have seen and we still see every day in the province of Quebec, on our national day or in Corpus Christi processions, people who, after having been detached from France for more than 200 years, still display the blue, white and red flag of France, which is very decorative. That does not mean however that they are more French than Canadian. This simply means they still keep in their hearts a certain feeling for their old mother country.

I must say I have admired the speech of the hon. member for Sherbrooke. But I must disagree with my colleague from Drummond-Arthabaska (Mr. Boulanger), because I do not share all his views. I rather regret that purely political motives should have been included in this matter, as was done most particularly by the hon. member for Joliette-L'Assomption-Montcalm.

I suggest that this matter should be dealt with objectively, as was done by the hon. member for Sherbrooke, whom I congratulate.

We can hold different views. We can claim that it should be up to the government to rule on the matter, especially since it has been under discussion for many years. But, on the other hand, I do not object to the suggestion made by the hon. member for Sherbrooke that we should ask a committee formed of persons having some particular knowledge of the arts, to choose among the thousands of designs

which have been submitted to us, and which are still being continuously submitted to us, the one which best represents the aspirations of the whole of Canada.

As all hon. members probably did, I presume, I recently received some suggestions. These suggestions dealt with four acceptable flag designs. First, there was a distinctive national flag; a red flag with a gilded maple leaf and ten gilded bars representing the ten provinces; this would be the Canadian flag. There would also be a flag for the navy, a red maple leaf on a white field, with ten red bars representing the ten provinces of Canada. There would also be a flag for the Department of Transport, a gilded maple leaf on a blue field with ten gilded bars representing the ten provinces of Canada. Finally, there would be a flag for the merchant navy: a green maple leaf on a white field, with ten green bars representing the various provinces of Canada. Nobody can raise objections to those four proposals because they have a special meaning since they represent for Canada: the merchant marine, the Department of Transport and Canada's navy.

Those are suggestions that might be submitted to a committee having made studies and with special knowledge in the field of aesthetics.

This measure contains the interesting provision that the members of that committee must within a period of one year, report to parliament on their research and findings.

It must be kept in mind that the final decision rests with parliament or the government. I think that the suggestion should come from the government. The government should be the one to decide and submit a bill to parliament which, in turn, would finally adopt it.

Besides, I do not believe it is essential that the government submit such a bill. It can take a decision, as was done before in the case of the Canadian flag floating over our embassies, the red flag with a union jack in a corner and the arms of Canada. That was decided by order in council just the same as the Quebec provincial government adopted its own flag by order in council. It submitted a flag and said: This is the flag of the province of Quebec. That is what the government of that province has decided. That government took the responsibility. Whether you like it or not, it is the recognized flag of the province of Quebec.

In my opinion, this idea of referring the question to a committee such as the Canada Council for examination, is a good one and I am all for it.

I was interested in the historical account given by the hon. member for Sherbrooke. The signing of the treaty of Westminster in 1931 was the crowing achievement of a series of steps taken since 1760 towards the full independence of Canada. There was the Quebec Act, the constitutional regime, the Act of Union, confederation and finally, the Statute of Westminster.

We have seen that our heads of state had started to establish Canada's position long before that. When Sir Wilfrid Laurier was invited to Queen Victoria's diamond jubilee, in 1897, he made moves, over there, backed by General Smuts of South Africa, in favour of greater independence for the dominions within the commonwealth.

Then, in 1919, Sir Robert Borden, as Prime Minister, insisted, as the member for Sherbrooke said, that Canada be called upon to sign the Versailles peace treaty in its own name, because our troops had fought as a Canadian unit, not as part of the British forces.

In 1926, the Canadian people stood up against a governor general who intervened in the political affairs of our country and who was immediately recalled. From that moment, there was much talk about the treaty of Westminster. The Hon. Ernest Lapointe signed the fisheries agreement with the United States, but refused to do so in the presence of Great Britain's representative, thus indicating that Canada intended to become completely autonomous. Thereafter, from 1927 to 1930, the various dominions set up the basis for the Westminster treaty, which was signed on the 11th of December, 1931.

Therefore, I see no objection to the three projects being grouped in one, since they all tend to a full and complete autonomy for Canada.

That is why I commend the hon. member for Sherbrooke. I commend him for the moderation of his remarks. I think we should discuss those national matters in a non-partisan way. We should discuss them with the broadness of mind of Canadians who want to be Canadians.

We have no right to condemn the English-speaking Canadians who have not yet attained the same degree of national maturity as the French-speaking Canadians, because many of them still have relatives overseas—brothers, sisters, uncles, aunts, grandfathers, grandmothers—and they still have in their heart some feeling for England.

But it should not be overlooked that the union jack is made up of three crosses: Saint George's cross, standing for England, Saint Andrew's cross, standing for Scotland, and Saint Patrick's cross, standing for Ireland. These three countries together form what we

consider today not England but the United Kingdom. No, the union jack has no connection whatsoever with Canada.

We must respect the union jack because it is the emblem under which we enjoyed a great measure of protection. We must respect it in the same way as we, French-Canadians, respect the French flag, which represents something for us. However, to respect it does not mean to brandish it at every occasion as the sole guide to our conduct.

We must have a distinctive Canadian flag bearing neither the union jack nor the fleur-de-lis because the union jack represents England and the countries around it, while the fleur-de-lis is an old relic from France which can certainly be cast off. There has been talk about the national anthem. Last Sunday, following the victory of the Canadian team over the American team, the band started playing "O Canada". While listening to it, I was proud of the fact that, in other countries, "O Canada" was recognized as our national anthem. I admit that some people do not like "O Canada"; they may be right, because it is often badly sung and badly played. In fact, in some circles, it is often sung like a funeral dirge, when it should be possible to underline its real beauty. Among the bands that play it very well, the R.C.A.F. band and the governor general's band give it a vigorous and martial flavour that really represents this young country of ours. Played in such a way, "O Canada" is truly beautiful. In our schools, we should teach our children to sing "O Canada" with ardour, so that it may be a true demonstration of the Canadian spirit.

Mr. Speaker, I approve the bill because it sets a one-year deadline to the study of the question. If it were to prolong its study indefinitely, I would not support it. I find it acceptable and I am one of those who support it.

(Text):

Mr. Jones: Mr. Speaker, I wonder whether the hon. member would clear up one point. The translation was not quite clear to me. I thought I heard him say that the union jack was made up of the flags of St. Andrew, St. George and St. Patrick, but I presume he would also wish to refer to St. David. We must not forget the Welsh.

Mr. Caron: I do not know whether the Welsh cross is on there. I know there are three crosses, St. Andrew, St. George and St. Patrick. Perhaps the Welsh cross is under one of these, but I have not seen it.

[Mr. Caron.]

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I know that a number of hon. members wish to speak on Bill No. C-25, so what I have to say I will say in a very few short sentences. This bill calls for a distinctive Canadian flag. We in this group are 100 per cent in favour of a distinctive Canadian flag, and this is written right into our federal program. This bill calls for a Canadian national anthem. We are in favour of a Canadian national anthem and we think we have this in our present anthem "O, Canada". This bill calls for a national holiday. We are in favour of holidays, particularly a national holiday, but I think we can find a better, more appropriate and more favourable date for a holiday than December 11.

On those three principles, Mr. Speaker, I have told the house where we stand. I would like to add that I cannot see the necessity or the reason for the question of the anthem or the flag being referred by legislation to the Canada Council for a report to be made within one year after passage of this bill, if it does pass. Surely the question of the flag, the holiday and the anthem is the responsibility of government. It is their responsibility to take whatever steps are required and then, on the basis of their studies and the knowledge they acquire, make recommendations to the parliament of the day.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I think it is fitting that we do not leave this hour completely to our French-speaking colleagues because I believe that discussion on the flag and the anthem should be bilingual also. I was very much impressed by an article written by Mr. J. B. McGeachy in the *Financial Post* of March 10 last. He happened to be discussing the question of the flag and had this to say:

> Mackenzie King had a dream about it on the night of March 19-20, 1944. This significant fact is revealed in J. W. Pickersgill's book, "The Mackenzie King Record". In his diary for March 20 WLMK noted the contents of this dream. In it he saw the union jack as Britain's flag and the red ensign, with the union jack in the top corner and the Canadian shield in the fly, as Canada's flag.

That flag has been legalized by order in council, a legality which the union jack itself does not enjoy. The hon. member for Hull spoke about the flag of la belle province and said it had status because it was a legal flag, having been legalized by order in council. Well, Mr. Speaker, we have a flag. The only trouble about it is that some people do not like it; but no matter what we did, some people would not like it.

We have heard a lot about the red ensign being a flag which should be flown only on ships. If we want to go back to the genesis of the union jack the word "jack" implies a

maritime flag. All this is inconsequential, shall we say. The question is whether the people of Canada want what this bill says they should have. This bill is autocratic, arbitrary and dictatorial because it says in clause 3:

> It shall be the duty of the Canada Council to prepare or have prepared, after competition or otherwise, a design for a suitable distinctive national flag free of the emblem or emblems of any other country—

I say that is arbitrary and dictatorial. I myself stand for the red ensign as it is now, and I believe there are thousands who think as I do. It would be better in my opinion, if the hon. members who are promoting such bills as this would leave out the words they have introduced, and let us have a free choice. If the majority of the people of this country want the red ensign as it is now, they should have it. If the majority want a distinctive flag without any trace of the union jack on it, they should have it. But this bill says they cannot have a free choice. I have high regard for the background of both races—

Mr. Deputy Speaker: I think the hon. member for St. Boniface (Mr. Regnier) is raising a point of order.

Mr. Regnier: Is the hon. member in favour of a referendum on the flag question?

Mr. Broome: Mr. Speaker, I suggest that is not a point of order. It is a question, and if I have any time left after I have finished hon. members can ask me all the questions they wish. But I say there is a much better way of approaching this question than the one suggested in this bill. We used to have Dominion day. It was inferred that was a sign of subjugation, so we changed it to Canada day, and now we have the suggestion that it be changed from the date of confederation to some other date pulled out of a hat. How stupid can this house be? I say it is time some of the other side was put on the record, and I am going to do it.

An hon. Member: For how long?

Mr. Broome: Until six o'clock.

I notice that the hon. member for Sherbrooke (Mr. Allard) states we are Canadian subjects—no longer British subjects but Canadian subjects. Well, the hon. member had better read his passport again. Certainly we are Canadian subjects through the citizenship act; but a Canadian subject is nevertheless a British subject. A British subject is not necessarily a Canadian subject, but a Canadian subject is a British subject, at the present time, anyway.

Personally I take a certain pride in the fact that people from many lands came over here and built this country. People from all the countries of Europe, besides some from Asia and Africa, are here today. But the people of the two great races which started this country, the French and the British, built the foundation upon which the rest have enjoyed the fruits of that work and progress. Now we are to throw all that out the window. We shall have a brain washing which will eliminate this background, eliminate these historic traditions and the memory of the wars in which Canadians have fought. We are to throw this down the sink. Well, not as far as I am concerned.

There was a committee of this house set up to consider the question of a distinctive Canadian flag. It was set up in March, 1944. About 2,500 designs were submitted—this, again, is according to Mr. McGeachy. In his article in the *Financial Post* he says:

> About 2,500 designs were submitted ("dreamed up" would be the right phrase) and all the nice patterns of maple leaves, buffaloes, beavers, Red Indians, fleur-de-lis and whatnot were carefully examined by the committee. Nothing came of its labours, but an order in council of 1945 authorized use of the red ensign as described above, on land as well as sea. Mackenzie King was a man who made his dreams come true.
>
> The position is, then, that officially Canada already has a national flag; and controversy arises because some people don't like it.

I submit to this house that that is enough of a problem. However, when that committee met, its choice of a flag was unanimous. That flag was the red ensign with a gold maple leaf in the fly. The choice was unanimous except for one member, Mr. Wilfred Lacroix, the former member for Montmorency. There was unanimity at the time except for the views of this one member, and so the matter was shelved.

Now this question comes up again. If the disagreement of one member could lead to the subject being shelved in 1944, the same situation could happen again. This is something that touches at the hearts, the roots and the traditions of the people of this country. Perhaps our new citizens from Germany have an equal right with those who would like to see something that reminds them of their homeland on our national flag. Perhaps our new citizens from Italy have a similar right.

I think it time we stopped talking like little Canadians. Look at the phrase in this bill which says: "This act may be cited as the National Sovereignty Act". Well, what fool says we have not been a sovereign nation for scores of years? But then, we used to have Dominion day, but we had to change that to Canada day. And even that is not good enough now; we shall have to call it independence day to show we have had to fight our way free from a presumed arbitrary dictatorship that held us—

Mr. Deputy Speaker: I regret to interrupt the hon. member, but the hour for private members' business has now expired and the house will revert to the business which was interrupted at five o'clock.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

Royal Canadian Air Force—

645. Construction or acquisition of buildings, works, land and major equipment—further amount required, $31,000,000.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: Shall vote 645 carry?

Mr. Winch: Mr. Chairman, when I inadvertently make a mistake, I believe it is only right to correct it as soon as possible. In speaking this afternoon, I made mention of the Sidewinder weapon. I had the right weapon but I had the wrong plane. They are not on the CF-104.

Mr. Hellyer: This afternoon a number of questions were asked of the minister with respect to the commitment which has been undertaken by the government with regard to the air division overseas and its new strike attack role. Those questions as yet have been unanswered by the minister. I think we should give him an opportunity to answer them now.

Mr. Harkness: I think I answered all the questions that were asked, Mr. Chairman, and made all the comments which were necessary with regard to the remarks made in this regard.

The Deputy Chairman: Shall vote 645 carry?

[Mr. Broome.]

Mr. Hellyer: No, Mr. Chairman. Can the minister say at what stations the F-104's will be stationed when they arrive in Europe.

Mr. Harkness: They will be stationed at the same air station as those at which the Sabres and 100's are at present stationed, namely Grostenquin and Marville in France, and Zweibrucken and Baden Soelinger in Germany.

Mr. Hellyer: As to Grostenquin and Marville, is there any agreement at the moment between the government of Canada and the government of France with respect to the storage on French soil of nuclear missiles in use in the F-104?

Mr. Harkness: This is reverting to the same matter with which I dealt previously this afternoon. As far as NATO is concerned no determination has been made with regard to the control of nuclear weapons. I therefore do not think there is any great purpose in discussing the matter.

Mr. Herridge: I have been most patient, Mr. Chairman. I have not taken part in any policy debate. However, I have a few things I wish to bring to the minister's attention which I think are completely in order and I wish to ask a few questions. I refer to a few matters that concern some of the defence personnel, particularly in the R.C.A.F. I mention one or two cases in order to illustrate several other cases of similar types that have been brought to my attention in these few matters that I wish to place before the minister now.

I had brought to my attention on several occasions the fact that people are of the opinion that there should be certain extra travelling allowances that would permit men to be reunited with their families under particular circumstances. To that end I just wish to quote briefly from a letter I received from one lady in this respect:

> Another thing which I would urge at this time is that men in the armed forces, whether they are commissioned or non-commissioned be given, at least once a year, a very substantial travelling allowance, for themselves and their families, to go home to their families anywhere in Canada. It is done in most countries and is all the more necessary in this huge country, where families are unable to see each other for several years, when, as in the navy, men are moved from one seaboard to the other every few years. It is completely beyond the means of most of those men to go "home" during that period. It is bad for everyone concerned.

Of course, the minister would understand that situation. I made inquiries at the time and the then minister was the present lieutenant governor of British Columbia. He went to some pains to inform me of the regulations. But since that time I have met

two or three cases with regard to which it seemed to me the present regulations did not cover all the particular circumstances. In the services there are cases which I think would warrant some review of the travelling expense regulations at the present time. I urge the minister to give that matter consideration.

The Deputy Chairman: I am sorry to interrupt the hon. member but as I read the item under consideration it is as follows: Item 645, "Construction or acquisition of buildings, works, land and major equipment". I am having difficulty in relating the hon. member's remarks to that particular item.

Mr. Herridge: I do not blame you a bit, Mr. Chairman. I thought we were on the first item.

The Deputy Chairman: Shall vote 645 carry?

Mr. Hellyer: No, Mr. Chairman. It is quite apparent that when the government accepted the strike role for the air division there was no requirement for it to do so in the sense that it was not obliged to do this. It could have declined. In that event it could have left the performance of this duty to others such as, for example, the United States air force. However, the government did not decline the role. It accepted the role. It said that the Canadian air division will undertake the strike role on behalf of the NATO alliance. The reasons for that were fairly obvious. Our NATO allies felt that the air division was the best air division in Europe. It is indeed the best air division in Europe. It is the best trained. It has the best airmen. One of the reasons is, of course, that they are professional. They know what they are doing, and they know it well. Hence an experiment was to be performed whereby on the ground in Europe an air division was to be phased out of the air defence role and into the strike attack role.

This course naturally appealed to the air force. It appealed to the NATO commanders in Europe. The Canadian government was approached with respect to the proposition that Canada would undertake this very difficult and dangerous assignment. The Canadian government accepted the role. The Canadian government must have known at the time when it accepted the role that it involved the use of nuclear weapons, as this matter was implicit in the decision. If the Canadian government accepted this responsibility, knowing in advance that it involved a nuclear commitment, why is there now this indecision with respect to it? The minister, of course, is evading the issue when he says there is no decision with respect to NATO control. There was no decision with respect to NATO control at that time but there was the possibility of a joint arrangement with the United States. Indeed, it was this possibility of joint control with the United States that was referred to by the Prime Minister in this House of Commons when referring to the new role which was to be adopted by the R.C.A.F. and it was subsequently referred to by the former minister of national defence. Having this in mind, Mr. Chairman, surely we must now be assured by the government either that it intends to carry out tests and fulfil its commitment to NATO or that in the meantime it has changed its mind for one reason or another. Otherwise we cannot vote these funds intelligently.

Mr. Churchill: We are not expecting too much from you.

Mr. Hellyer: We cannot vote funds for weapons carriers which are only useful when armed with atomic missiles if the government has no intention to so equip them. Can we hear from the minister in this regard?

Mr. Pearson: Mr. Chairman, may I ask the minister whether he can assure the committee that the NATO command is satisfied that this particular strike attack role with these CF-104 planes can be carried out with conventional weapons?

Mr. Harkness: I have never discussed that with SACEUR, but I wonder why the Leader of the Opposition and the hon. member for Trinity are trying to press this matter. They seem to be trying to give the impression that they would like to see the 104's in Europe equipped with nuclear weapons as fast as possible.

Mr. Hellyer: We would like the government to tell us what it proposes to do.

Mr. Harkness: They are trying to force a decision on that now, although the planes will not be over there for a year yet and in spite of the fact that on August 5, 1960, as found on pages 7610 and 7611 of *Hansard*, the Leader of the Opposition made a long speech in which he said with regard to the use of tactical weapons by NATO:

> I say in any event that Canada should categorically reject the proposition that her NATO forces should be equipped with nuclear weapons of any kind.

Now we have the Leader of the Opposition and the hon. member for Trinity apparently arguing that unless we make an announcement now that we are going to equip the 104's with nuclear weapons, although they are not to be in Europe for a year yet, we are derelict in our duty. I find it very difficult to reconcile these positions.

Mr. Pearson: The minister, of course, as he did this afternoon, has thrown up a smoke-screen to conceal his own unwillingness or inability to reply to the question I have asked him. The question is a very simple one. I suggested to the minister that the Canadian government accepted a certain responsibility in the NATO forces to be discharged by a Canadian air division on the understanding that that responsibility would be discharged through the use of a particular kind of equipment and that the government is now welshing on that responsibility. It is not our duty on this side to tell the government what it should or should not do in this case. We will do that when we have a debate on policy. But we believe, and the minister can set our minds at ease if he wishes to do so, that it was the understanding of SACEUR that this particular strike attack responsibility when it was turned over to the R.C.A.F. air division would be discharged by the use of weapons which would be effective for that purpose and, as the minister himself said, the only weapons that would be effective for that purpose are CF-104's armed with nuclear warheads. If that is the case then the responsibility taken on by the Canadian air division was assumed so far as NATO is concerned under a misunderstanding, to say the least. Will the minister clear up that misunderstanding and say that there is no such understanding in the NATO high command over any particular kind of equipment that will be used and that they are quite satisfied to let the decision wait until an emergency develops with respect to whether the CF-104 will use nuclear weapons in its strike attack role? Are they perfectly happy about the delay in this decision?

Mr. Harkness: There is no misunderstanding whatever. This is now the fourth time that the Leader of the Opposition or the member for Trinity have made the same statement in almost the same terms. I have replied twice already and have stated what the position of the government is. I do not think I should take the time of the committee to make the same reply once more.

Mr. Hellyer: The minister objects to discussing the question of the air division because in his opinion the matter is not urgent until the sum total of $400 million or $500 million in hardware is sitting on the tarmacs in Europe. Under those circumstances let us consider for a moment the question of North American air defence. Some time ago the minister said that he agreed with the speech made in Toronto last summer by General Kuter in which he said in effect that it was essential that the F-101 to be acquired by the Royal Canadian Air Force be armed with a nuclear missile. Does the minister still agree with the expression of opinion by General Kuter at that time?

Mr. Harkness: I do not agree with the interpretation that the member for Trinity makes of that speech or of practically any other matter.

Mr. Hellyer: Then would the minister be good enough to give his own interpretation for the benefit of the committee?

The Deputy Chairman: The hon. member for Leeds.

Mr. Martin (Essex East): Mr. Chairman, a question has been asked of the Minister of National Defence and he has not answered.

Mr. Churchill: The floor has been given to the hon. member for Leeds.

The Deputy Chairman: Order. I cannot take responsibility for the lack of an answer on the part of the minister. I saw the hon. member for Leeds and gave him the floor after an appropriate pause, and so he has the floor.

Mr. Matheson: Mr. Chairman, a news story of February 13, 1962, tells us that the air force remains the biggest armed services spender and that construction of the CF-104 fighters at Canadair in Montreal remains the biggest single defence program. The story points out that it is estimated that the total cost of the CF-104's will be $450 million, of which $302 million will have been spent by March 31. Perhaps I am approaching the same question but in another way. I should like to read to the minister part of a report in the *Globe and Mail* of January 17, 1962 in which there is the following statement:

> It is known that the United States tried, but failed, to write into the Canada-U.S. agreement covering Canadian acquisition of the 66 U.S. Voodoos a clause stating that the planes would be armed as they were in the U.S.—with nuclear missiles.

The minister may answer later, but my first question to him is: Is this story true? Is it a fact that the United States tried but failed to write into the agreement a clause that Canada would acquire the nuclear missiles that render these planes useful weapons? Again, I quote from the Vancouver *Sun* of February 9, 1962. The headline is, "Canada, U.S. Not Speaking on Matters of Defence", and the article reads in part as follows:

> Canada and the United States apparently aren't on speaking terms over mutual defence matters . . . there had been no meeting of the Canada-U.S. joint defence committee since July, 1960—some 18 months before.

My question to the minister is: Is it a fact that for 18 months there has been no meeting of the Canada-United States joint defence committee?

The Deputy Chairman: Order. I am sorry to interrupt the hon. member. I can relate his first quotation very readily to the item under consideration but I am having difficulty with his last quotation and I am concerned that the committee might wander into defence policy generally as opposed to staying very close to the item under consideration. I hope the hon. member will co-operate.

Mr. Matheson: Thank you, Mr. Chairman. The *Financial Post* of November 4, 1961, had this to say:

> The other really vexing problem for NORAD—and particularly Canadian defence planners—lies in the question of nuclear warheads for Canadian forces . . . something that was always intended for both the CF-101B and the Bomarc.

The minister knows whether or not this statement in the *Financial Post* is correct. If it is not correct, we would appreciate being told. We read a good deal of other material along the same line. The Detroit *News* speaks of Canada's defence timidity and the *Citizen* has said that there cannot be respect for a government that cannot decide. The real problem is, have we made commitments of any character? Are there any secret treaties into which we have entered with our allies? We know of our recent friendliness with Castro. We know of our traditional friendliness with the United States. I should like some assurance from the minister that these allegations we find in the Vancouver *Sun*, the *Globe and Mail*, the Calgary *Herald* and the *Financial Post* are completely without substance.

Mr. Harkness: Mr. Chairman, it has never been the custom for a minister to comment upon speculative stories or even more speculative editorials in various newspapers. I do not propose to start doing so now, particularly in view of the fact these matters have no relationship whatever to the item we are now considering.

Mr. Pearson: Perhaps the minister would be prepared to comment on this press report. It deals with this question of the possibility of equipping the CF-104 for this role which it has been allotted in NATO, and the details of which we find difficulty in securing from the minister in so far as its equipment to perform that role is concerned. The minister says that we will make a decision later and we will have the necessary equipment to perform the role a year from now, or sooner if an emergency develops. He says this statement should be good enough for this committee. It is not good enough for NATO, though he will not admit that.

I put these words of the Prime Minister's on the record this afternoon, but they have a relationship to this particular aspect of the problem. The Prime Minister said in Edmonton on February 25 that there was a report to which some credence should be attached. The Prime Minister stated the nuclear warheads, if they were required, could be made available in half an hour or an hour. Will the minister explain how that could be done in respect of a decision to change the equipment of the CF-104?

Mr. Harkness: Mr. Chairman, that has no relevance to the matter under discussion, either. It is again a matter upon which I do not think it would be proper for me to comment.

Mr. Pearson: What could be more relevant to this issue? The minister says that the government has not made up its mind as to how these planes are to be equipped to do the job, but the government will make up its mind in due course if an emergency should develop or at any time in the next year or so before the planes are delivered. A decision will have to be made, then, whether or not to use nuclear warheads on this particular plane. The Prime Minister gave a report that these warheads could be made available in an hour or a half an hour. Is that the case, and if so how could that be done? The minister says that this is not relevant to the problem at all.

Mr. Harkness: All I would say with regard to that is that the Prime Minister did not say this was the case. The newspaper report the Leader of the Opposition read stated the Prime Minister said there had been a report to that effect.

Mr. Pearson: Then the Prime Minister gave credence to that report in the statement he made about it. When the Prime Minister of this country gives credence to such an important statement as that, that nuclear weapons can be made available in an hour or a half an hour, we have a right to ask the minister some questions on that point. Perhaps the minister will tell us how this can be done.

The Deputy Chairman: Shall the vote carry?

Mr. Hellyer: Surely, before we are asked to vote the expenditures required in these circumstances, we should at least be extended the courtesy of being told in this committee what the Prime Minister has told the Progressive Conservatives of Alberta.

The Deputy Chairman: Shall vote 645 carry?

Mr. Hellyer: No, Mr. Chairman. I wonder if the minister would tell the committee whether or not, in his opinion, Canada is well defended by the Bomarc base at North Bay in its present state of readiness?

Mr. Harkness: Once more, Mr. Chairman, that has nothing to do with the vote under consideration. The hon. gentleman is merely trying to make a little trouble by asking questions of this kind.

Mr. Hellyer: Would the minister state his opinion in respect of the CF-101 and say if it would be a more effective defensive weapon for NORAD if it were armed with atomic missiles? This is a straightforward, honest question. Can we not get an honest answer?

Mr. Harkness: I would cite the rule of repetition, Mr. Chairman. I have already given an answer to that question at least five or six times this session.

Mr. Pearson: Mr. Chairman, in Edmonton, in giving information to a Conservative meeting, a political meeting, the Prime Minister made certain very important and specific statements. Now, we are trying to find out in this committee of the House of Commons what is meant by those statements and the minister refuses to give such information to the House of Commons. The Prime Minister has said that this change could be made in one hour or half an hour. We ask the minister to elaborate on how that can be done, if it can be done or to deny the report and say it cannot be done.

Mr. Harkness: The Prime Minister never said any such thing.

Mr. Pearson: I will put on the record what he said. This article has appeared in four or five newspapers and it has not been denied. The statement was made some weeks ago at a press conference. The article from which I am quoting is a Canadian Press dispatch appearing in the Toronto *Globe and Mail.* A reporter had asked whether or not Canada could get nuclear warheads fast enough from the United States in the event of war if Canada did not already have them, and the article states:

> Mr. Diefenbaker stated he could not reply to that for security reasons. He added he had read a recent report that nuclear warheads could be made available in half an hour or an hour and indicated there was some credence in this report.

I ask the minister, in respect of this CF-104 or the Voodoo, how could that be done? I particularly ask the minister whether that could be done in the absence of a political agreement with the United States providing for joint control of these nuclear weapons, and I ask if that agreement could be made in an hour or half an hour?

The Deputy Chairman: Shall vote 645 carry?

Mr. Hellyer: This is a very serious matter indeed. The newspapers, who took the Prime Minister at his word, produced these articles stating that it was, in fact, physically possible to transport nuclear warheads from wherever they may be in the United States to wherever they may be required in Canada, to install them and use them within something like a period of half an hour or an hour. The minister, for the sake of clarity in this situation, should advise the committee tonight that this is, in fact, nonsense, and that it cannot be done. We would ask that the minister now clarify the situation for us.

The Deputy Chairman: Shall vote 645 carry?

Mr. Pickersgill: I should like to read this vote again. It says:

> Construction or acquisition of buildings, works, land and major equipment—

This vote is for the Royal Canadian Air Force. Surely, the minister would admit that these objects about which we are talking, and for which we would be getting warheads, are major items of equipment. They have been purchased at great expense to the Canadian taxpayer and we are being asked to vote another $31 million; yet the minister refuses to tell us what he is going to do with this major equipment, or even what could be done with it. As the Leader of the Opposition has pointed out, information has been given on this matter by the Prime Minister to the privileged circles of a Progressive Conservative association meeting in Edmonton. Surely this is an odd way for the Prime Minister to be restoring the rights of parliament about which he talked so much only five years ago.

I submit to you, sir, as a point of order, that the minister should not be allowed to shelter behind this kind of silence when he is here begging us to vote $31 million of the taxpayers' money, and yet he will not tell us how it is going to be used.

The Deputy Chairman: Shall vote 645 carry?

Mr. Hellyer: No, no, Mr. Chairman.

Mr. Nielsen: I rise not to participate in the discussion that is going on but simply to make an observation. I find it very strange indeed that while our Secretary of State for External Affairs is in Geneva attending disarmament talks—

The Deputy Chairman: Order; I cannot find that the comments of the hon. member for Yukon are related to the item under discussion.

Mr. Nielsen: I find it odd that the Leader of the Opposition and this group should be advocating arming Canadian aircraft with nuclear warheads under the existing circumstances taking place at Geneva.

Mr. Pearson: On a point of order, Mr. Chairman; that is a complete 100 per cent misrepresentation of my position, and the hon. member knows it of course. You sir, have stated that it would be out of order in this particular discussion to have a general discussion of general defence policy. I hope that opportunity will come soon and then our policy will be made known. Meanwhile on this particular item for the purchase of these planes we have the right on this side of the house to find out from the government how these planes are going to be armed and equipped. We are attempting to do that, but without any success whatsoever.

Two years ago when this role was undertaken by the government—this we know perfectly well and so does the minister although he will not tell the committee—it was understood that this role required the use of nuclear weapons. That was understood in NATO. The minister talked that way when he himself was in Paris and we have lots of clippings to put on the record to that effect. We were also told two years ago when this role was undertaken that they were holding discussions with the United States, that these discussions would be required to bring about an agreement for the use of nuclear weapons by Canada. In fact we were told that these discussions had almost come to a conclusion. Now two years later we are told there were no such discussions, and we are also told by the minister that no decision has been reached and no decision is contemplated as to whether the Royal Canadian Air Force will be equipped to do the job it is set to do in NATO.

We objected to this role when it was first brought before the house. My hon. friend from Trinity said this was the wrong kind of job for the R.C.A.F. because it would require nuclear warheads. The government, against our advice, decided to purchase C-104's for that purpose and we objected to that. Now they will not tell us which kind of equipment is being given to the R.C.A.F. to discharge this very dangerous and responsible role, and when we try to find out from the government hon. gentlemen opposite get up and say we are advocating nuclear weapons for the Canadian forces. In actual fact we are trying to find out whether the government are in a position to give the R.C.A.F. any weapons at all to discharge its job.

The Prime Minister says, "Oh, yes, when the war comes we will have the ammunition, we will have the armaments, we can get them in an hour." That was one of the most preposterous statements made by any member of a government in this house. The minister knows it; everybody knows it; and the Prime Minister knows it, but he does not mind making it just the same. Yet when we give the minister a chance to make a statement and thus let him try to get the Prime Minister off the hook, he sits in silence. He was not so silent a year ago when he was talking about the desirability of nuclear weapons—

Mr. Slogan: On a point of order, Mr. Chairman, before the Leader of the Opposition goes into orbit I wonder if you could rule on the rule of relevancy in supplementary estimates, that it is necessary to limit the debate namely to the increase and it is not proper to discuss the original item. I have not been able to relate his remarks to the original item, much less the increase.

Mr. Habel: That is because you do not know what the original item was.

Mr. Pearson: You do not know what we are talking about.

The Deputy Chairman: Order. Before I recognize the hon. member for Cochrane or the hon. member for Trinity, whoever rises first, I have not found that the contribution made by the Leader of the Opposition was out of order as far as he had gone up to this moment, and should he go out of order I would be very grateful to hon. members of the committee if they will raise that on a point of order, or indeed I shall raise it myself if I feel the same way.

Mr. Habel: While the hon. member for Yukon was speaking I inquired why we were asked to vote this money and I was told by the hon. member for Cariboo that it was none of our business. That is the way the government is really going—

The Deputy Chairman: Order. Shall vote 645 carry?

Mr. Hellyer: I think it might help the committee if we refreshed our memories a bit with respect to the background of statements made by the government on this very important matter. On February 20, 1959, at page 1223 of *Hansard* the Prime Minister is reported as follows:

> The government is, therefore, examining with the United States government questions connected with the acquisition of nuclear warheads for Bomarc and other defensive weapons for use by

the Canadian forces in Canada, and the storage of warheads in Canada . . .

We are confident that we shall be able to reach formal agreement with the United States on appropriate means to serve the common objective.

The question, Mr. Chairman, is whether these are still the common objectives or not? If they are, why is there such a delay in achieving them?

Then on March 10, 1959, as reported at page 1775 of *Hansard*, Mr. Diefenbaker answered a question about a New York *Times* story which stated that Canada and the United States had reached agreement in principle on the formula for joint control of nuclear weapons. On that occasion he said:

—The article appearing in the New York *Times* is inaccurate in a number of details. . . I would draw the attention of the house to the statement I made in this regard on February 20. I indicated then that it would be some time before nuclear weapons would and indeed could be available for use by Canadian forces.

Then on April 30, 1959, as reported at page 3180 of *Hansard* Mr. Diefenbaker again replied to a question as to whether agreement had been reached. The question had been asked by the Leader of the Opposition and in his reply the Prime Minister said:

I assure him that the whole subject will be dealt with very shortly—

I emphasize the Prime Minister's words "very shortly". That was in 1959. On July 2, 1959—

The Deputy Chairman: Order. I am again apologetic for interrupting the hon. member for Trinity, but I am trying to hold the committee very closely to the item under discussion this evening. I think we got off to a very good start and I do not want to be considered unfair to other hon. members who might want to get into more general policy and into international agreements and things of that nature. For that reason I feel I should rise and ask the co-operation of the hon. member.

Mr. Hellyer: Not at all, Mr. Chairman. I am sure that as you have done in the past when you were occupying the chair very fairly and forthrightly, you would agree when we are voting money for the acquisition of supersonic interceptors to be used for the defence of North America and the defence of this country, it is relevant to discuss whether or not they should be armed with nuclear devices, particularly when we have been told by members of the government that it was necessary for this to be done in order that they would reach their maximum potential, and when we have been told by the commander in chief of the North American air defence command that it was necessary. Indeed the minister in days gone by said he agreed with the commander in chief of the North American air defence command.

On July 22, 1959, the former minister of defence said with reference to the Prime Minister's statement of February 20, about—

—entering into a series of negotiations with the U.S. in order to arrange the details of the storing of and equipping our forces—

Some hon. Members: Order.

The Deputy Chairman: Order. I am sorry to rise again as I feel I made it clear without being too arbitrary in making a ruling—I do not want to necessarily have to do that—but I feel that matters of international agreement and so on come within the very broad scope of defence policy generally and indeed move into the area of external affairs. For that reason I feel out of fairness to other hon. members of the committee that unless I hold the hon. gentleman from Trinity closely to the item under consideration, the whole debate might reach into very broad areas of discussion and my job would be made all the more difficult if I allowed that to happen.

Mr. Hellyer: With the greatest deference, Mr. Chairman, surely it is not inappropriate nor can it be considered a matter of foreign affairs to discuss how aircraft to be stationed on Canadian soil, flown by Canadian airmen, are to be equipped. If this is not relevant, nothing is relevant.

An hon. Member: Not even you.

Mr. Hellyer: Would the minister advise the committee if the common objectives referred to by the Prime Minister in February, 1959 remain the common objectives of the two countries.

Mr. Harkness: Mr. Chairman, the common objectives of the two countries and of all the countries of the NATO alliance are to preserve peace and prevent aggression on the part of the communist world. Those remain the common objectives of all of us in the west.

Mr. Hellyer: Would the minister explain to the committee, then, why the United States would entertain an agreement under which it would supply Bomarc missiles to Canada, at what the government has described as a negligible cost, if they were merely to be stationed at North Bay on their launching pads without any warheads of any kind.

Mr. Harkness: Mr. Chairman, it is quite evident that the hon. member for Trinity and the Leader of the Opposition have been trying to get me to make a statement yes or no—and these are the words they put the question in—on whether or not we are

going to acquire nuclear warheads for certain weapons system which we have acquired. That question has been dealt with, and dealt with exhaustively, several times in the past. Hon. gentlemen opposite, and everybody in Canada who has paid any attention to this matter, know what that answer is. I have already given it twice or three times here today.

Mr. Hellyer: What is the answer?

Mr. Harkness: I have given it on numerous occasions in the past and I do not think I should be expected to give it time after time after time.

Mr. Hellyer: Would the minister advise the committee if it is his intention to obtain conventional warheads for the Bomarc missiles?

Some hon. Members: Oh, oh.

Some hon. Members: Carried.

Mr. Hellyer: This is a serious question, Mr. Chairman, and the minister's refusal to answer this question is contempt of parliament.

Some hon. Members: Oh, oh.

Mr. Hellyer: He is coming here and asking for millions of dollars to be expended and he refuses to give this committee the information to which it is entitled. We demand of him now to give us some answers, or else he will be called upon to reckon before the Canadian people.

Some hon. Members: Oh, oh.

Mr. Harkness: Mr. Chairman, the only contempt of parliament which is being exhibited here is on the part of the hon. member for Trinity and others on that side of the chamber who completely ignore the rule regarding repetition and go on making the same speeches and asking the same questions to which they have already had answers time after time after time.

Mr. McCleave: The same stupid questions.

Mr. Pearson: Mr. Chairman, the minister gets very angry—

Mr. Harkness: You are getting angry.

Mr. Pearson: —when we try to find out from him on what we are spending $31 million. We are asking him what kind of major equipment we are buying with this $31 million. We are asking him whether this major equipment can be made effective, whether it can be used. The minister said he has given the answer several times. The answer has been given, in so far as there is one, by the Prime Minister and ministers outside this house, and the only answers they give outside the house are, "When the emergency develops, if we get into war, then we will decide; we will do it then".

It takes 17 minutes for an intercontinental ballistic missile from Asia to reach North America. During those 17 minutes the minister will decide whether or not the Bomarc missile is to have a nuclear warhead. During those 17 minutes he has also to decide whether it is possible to get an agreement with the United States government to make possible the acquisition of nuclear warheads. He has got 17 minutes to do all that. We ask him how he is going to do it and he says, "We have given you the answers several times". The answer is one that makes the government, of course, ridiculous in this situation. They would be ridiculous if it were not such a serious situation.

We have millions of dollars being spent on the F-104; we have millions of dollars being spent on the 101; we have millions of dollars being spent on the Bomarc, and we are not being told how these weapons are to be used. All we are told is that a decision will be made in the future, perhaps when the emergency develops. That is the most absurd statement on defence policy ever made by any government in this house or outside this house. I cannot think of any stronger words to describe the absurdity of the policy than those the minister has used in years gone by, and not so very many years gone by—

Some hon. Members: Oh, oh.

Mr. Pearson: However—

Mr. Jones: Watch your voice.

An hon. Member: Don't get excited.

Mr. Pearson: However, that is the minister's position, "We will get that in an hour; we will get it in half an hour; we will get it in 17 minutes. Wait till the war starts and then we will decide whether we will give our weapons ammunition". That is the government's defence policy in 1962.

An hon. Member: What did you do in the last war?

Mr. Pearson: The Canadian war effort from 1939 to 1945 is not one that hon. gentlemen, who perhaps know very little about it, can criticize. We would be in a fine position, if we ever got into an emergency now, to go down to Washington and ask permission from Washington to get the ammunition that we bought off them. That is a fine and creditable position for the Canadian government to put this country in. When we give the minister a chance to explain this he says, "I have told you several times already". Perhaps it is just

as well that he does not try to repeat it, because it does not get more impressive by repetition.

Let me ask the minister something about the continental defence squadrons. Would he tell the committee how many squadrons there are at present, whether they are all now equipped with the Voodoos, and what will be the function of these squadrons in the months ahead?

Mr. Harkness: Mr. Chairman, all five of the 101-B squadrons are now formed. Three of them are in their ultimate locations and are in operational use; the other two are still undergoing training.

Mr. Pearson: Is that to be the extent of our continental defence—five Voodoo squadrons? That is the total strength?

Mr. Harkness: Plus two Bomarc squadrons.

Mr. Pearson: Two Bomarc squadrons and five Voodoo squadrons. Perhaps the minister will recall that a short time ago, on January 19, the secretary of defence of the United States, when talking to a congressional committee about continental defence and referring to SAGE, had this to say:

SAGE—

SAGE is the whole Bomarc, interceptors, continental defence complex:

SAGE, however, will continue to perform a very useful and important function in peacetime and in the pre-air battle period, primarily surveillance of our air space. In peacetime, we must still continue to check out intrusions of our air space and this SAGE already does quite well.

Would the minister agree with that interpretation of the function of continental defence at this time, so far as aircraft are concerned?

Mr. Harkness: I do not know what interpretation the hon. member means. I do not know whether or not he knows what SAGE means. The SAGE system, as a matter of fact, is a means of controlling interceptors, either Bomarc missiles or fighters, and directing them on to their targets, and so on. That is the essential purpose for which SAGE exists. What the hon. member means by interpretation, I do not know. I would not know unless I took a look at it very carefully.

Mr. Hellyer: I wonder if the minister would explain this to the committee. If an alert were sounded at this moment—

Mr. Churchill: You would run.

Mr. Hellyer: —what would he do, minute by minute, to obtain the nuclear warheads necessary for the Bomarc missiles and putting them in their places at North Bay?

The Deputy Chairman: Shall vote No. 645 carry?

[Mr. Pearson.]

Mr. Hellyer: No, no. Surely, if the Prime Minister can refer to the possibility of obtaining weapons in half an hour the minister can extend us the courtesy of explaining just how this could be done. He should explain to the committee the mechanics by which this could be done if he expects us to take this statement seriously.

Mr. Martin (Essex East): I am sure you will agree, Mr. Chairman, that this is a matter of the greatest importance not only to this committee but to the country. One finds it difficult to believe that in the minds of some in this committee tonight there is a ready acceptance of the vital potential importance of this matter, when we note the reaction to observations made by members of the opposition on the part of those sitting on the ministerial benches and of those who sit behind the ministers.

We are discussing what is perhaps the most important question we have discussed in this chamber during the present session of parliament. Despite this, however, all we get from hon. gentlemen opposite is a resistance, by their interruptions, to observations which are made from this side of the committee. Hon. gentlemen may not agree with what we are saying but, surely, in a matter of this importance we have a right to be heard without these interruptions and disorderly interventions.

We are discussing the question of war and peace. The Prime Minister himself is the one who laid down the basis of this discussion. Let it be known to the people of Canada that if it is the wish of hon. gentlemen opposite that in the discussion of this matter we should be confronted with this kind of resistance—

An hon. Member: Nonsense.

Mr. Martin (Essex East): Somebody said "nonsense". Listen to what the Prime Minister said, and see if that is nonsense. It is the basis of this discussion. As the Leader of the Opposition has reminded us, the Prime Minister said in Edmonton:

Should war come, are we going to arm Canadians with bows and arrows?

He was not talking about political war. He was talking about nuclear war involving the destruction of the civilization of the world, the destruction of Canadian men and women as well as our armed forces. That is what the Prime Minister was discussing, yet someone says "nonsense". The questions put to the Minister of National Defence by the Leader of the Opposition and by the hon. member for Trinity were intended to ascertain whether or not the statement of the

Prime Minister could be implemented under current defence policy and given full effect.

There is no quarrel with the basic statement made by the Prime Minister—"Should war come, are we going to arm Canadians with bows and arrows?". The advent of war is something which we are all working against. Then the Prime Minister went on to say:

> Canada has 65 interceptor aircraft which would be more effective with nuclear weapons. The same applies to the two Bomarc anti-aircraft bases being built in this country.

Then, to show the solemnity of the situation he envisaged as being potential, and which he, along with every other civilized man and woman, hopes will never eventuate, he added:

> Should war come we must have available the necessary instrument.

That is the eventuality which we are now discussing. The Leader of the Opposition is not engaging at this moment in a discussion of Canada's policy with regard to nuclear weapons. We are not discussing whether or not there has been any conflict between the Minister of National Defence and the Secretary of State for External Affairs with regard to nuclear policy at this time. That is not the subject under discussion. The Prime Minister was talking about the eventuality of war, and in that context he affirmed his belief that our Canadian forces must have available the necessary instruments. And in the context of modern armament developments, the necessary instruments are nuclear weapons. Now, surely, we are entitled to demand from the Minister of National Defence before this item receives the sanction of parliament an answer to the question: how are we to have these necessary instruments made available to us? We asked this question of the minister because these are his estimates and because the Prime Minister is not here tonight to elucidate the statement which he made in this regard. But we have had no reply from the Minister of National Defence. The hon. gentleman keeps saying that this question has been put to him over and over again, and that he has given a reply over and over again. In fact, he has not answered the questions put to him by two hon. members on this side of the committee. He has walked out of this chamber even as this discussion has been going on, and is now standing behind the curtain when he should be in his place addressing himself to the question before us.

An hon. Member: Where were you last week?

Mr. Chambers: On a point of order, I think it should be pointed out that never has the hon. member for Essex East spoken for so short a time that an hon. member could not go behind the curtain for a few moments.

Mr. Martin (Essex East): I am glad we are having these interjections—

Mr. Monteith (Perth): You are a stinker.

Mr. Martin (Essex East): —being made by the hard-working Minister of National Health and Welfare. Let them be placed on the record as an indication of the concern which members of this committee and of this government are displaying toward this vital question of possible nuclear war and the capacity of the Canadian armed forces to meet that kind of eventuality. Let these observations go on the record.

An hon. Member: Where were you last week?

Mr. Martin (Essex East): I say that the Prime Minister assumed the proper role of prime minister in indicating to the Canadian people what might eventuate and what he thought would likely happen. But in that case it is the responsibility of the government to anticipate what must be undertaken in order to protect the Canadian people against the catastrophe of nuclear war. He said:

> If war does come, we must have available the necessary instruments

Mr. Harkness: On a point of order, Mr. Chairman, you ruled some time ago that we should not have a general debate on defence. The hon. member for Essex East has been doing nothing else but attempting to carry on such a debate. He stated we are discussing the most important question that has been before the house this session. Well, the question which is before the committee is the provision of an increase in an estimate which has already been voted, an estimate to increase the money voted for the acquisition of certain engines, aeroplanes, spare parts and so on for the Royal Canadian Air Force. The hon. member for Essex East is attempting to convert this into a general discussion on nuclear weapons and their acquisition or otherwise—

Mr. Martin (Essex East): I am not.

Mr. Harkness: —and in consequence I think he is out of order and should be called to account by the Chair.

Mr. Pickersgill: I should like to say a word on the point of order which the minister has raised. The minister talks about this as being an addition to a vote already approved. What we are being asked to vote here is $31 million, which is an increase of nearly 14 per cent over the original vote. That is not an insignificant addition. My hon. friend from Essex East was discussing exclusively the subject

of this vote, that is to say whether or not the aircraft which are to be built with this money are going to be armed in a certain fashion. The Prime Minister went to a Progressive Conservative association meeting since the vote—

The Deputy Chairman: Order. The hon. member for Bonavista-Twillingate was straying beyond the point of order raised by the Minister of National Defence.

Mr. Pickersgill: The minister—

Some hon. Members: Order.

The Deputy Chairman: May I have the ear of the members of the committee just for a moment. Obviously the difficulty of the Chair is in differentiating between what is proper for consideration under a narrow item such as this one by way of supplementary estimates as opposed to the broader discussion that is permissible under item No. 1 of the main estimates of any particular department.

Mr. Pickersgill: On a question of privilege—

The Deputy Chairman: Order, please. I would ask to be allowed to finish what I was saying. I am not going to make a ruling. I am only asking for the co-operation of members of the committee so that there is not an encroachment by one who is more skilful to the detriment of one of the other members of the committee. Out of respect for the hon. member for Essex East I rose only to make these few comments. I should be glad to hear the hon. member for Bonavista-Twillingate who is also a very experienced member. However, I am only asking the committee in general and any particular member who has the floor to endeavour to make it as easy as possible for the Chair to differentiate between what is normal discussion on item No. 1 of departmental main estimates as opposed to what is discussed under the supplementary etimates.

Mr. Pickersgill: I hope I may be permitted to complete what I was about to say as it is directly related to this matter. I say that since the main estimate was passed a very important statement has been made by the head of the government outside the house about this very item. That statement was not about any general defence policy but about this precise item and it was made outside the House of Commons. Yet in this forum of the Canadian people where both parties, the opposition and the government, are represented it is suggested by the Minister of National Defence, who is asking us to vote this money, that we must not discuss what the Prime Minister said outside the house about this particular item. He suggests that we must not discuss it in the House of Commons. A few years ago hon. gentlemen opposite including the Minister of National Defence, talked about closure. However, no closure that has ever been suggested in this House of Commons compares with what the minister is now suggesting on this particular item. If the Prime Minister can discuss this item outside of the House of Commons and give new information which was never given by the minister in the house, surely we are entitled to have an elucidation of that information by the responsible minister, if he has any responsibility here in the House of Commons.

Mr. Martin (Essex East): I have listened to what you have just said, Mr. Chairman; I am sure you will find that I have no intention of veering from the area of discussion which you think is proper at the moment.

We have had it established that the Prime Minister was visualizing what could happen in the event of a third world war in which nuclear weapons would be used. He suggested —and in my judgment quite properly—that the Canadian armed forces must be equipped with the best possible weapons. We are not talking about nuclear weapons in Canada in the context of the discussion represented by the division of opinion which prevails between the Minister of National Defence and his colleague the Secretary of State for External Affairs. This is not the issue now under discussion. We are simply asking the minister what steps the Prime Minister had in mind when he said we could obtain these weapons as readily as possible. Indeed, he said we could obtain them within a very short time, namely half an hour. We are entitled to an explanation from the minister. As we all know, nuclear weapons now in the control of the United States under the law of that country cannot escape the monopolistic custody of the government of that country or its agents. The question of joint control is a matter which Mr. Rusk said the other day is open to negotiation. That statement suggests that some arrangement could be made between the United States and Canada with regard to the matter of joint control. We are entitled to have from the Minister of National Defence some comment on this phase of the matter. Is that arrangement what is in contemplation? If that arrangement is in contemplation, when does the government propose to take steps to make available within half an hour, as the Prime Minister said, these weapons which he said were essential in order to endow our military forces with the best possible weapons?

Surely this a simple question which even the Minister of National Defence cannot seek to convince us he has not understood. I am sure that he has understood it. I am equally sure that it is his responsibility to tell us

what the answer is. The minister is asking us to vote certain moneys. The minister is not a dictator. He may sometimes act as one, but he is not a dictator. He is a servant of the people. He is a servant of parliament. We have a right to elicit from him this information. He can sit in his seat and refuse to give it. He can look irritated. He can look offended. Those are the privileges of human beings sittings in this House of Commons. However, if he wishes to do his duty he has no right to refuse this information to parliament. If he persists in refusing to give answers to questions which have been asked by the Leader of the Opposition and by the hon. member for Trinity, then the hon. member for Trinity was justified in saying that the minister is treating this house with contempt. The minister stands in contempt of this house, and as a result he stands in contempt of the Canadian people. The minister has no other course open to him but to answer us or to say that on the grounds of strict security no responses can be given to these questions. That is not the position taken by the Prime Minister. However, if the minister says this, we shall be obliged to consider the position in which we find ourselves. However, that is not the defence that the minister offers. He simply refuses to say anything. That is the position in which we have been placed tonight as a result of this arrogant conduct on the part of this uncommunicative Minister of National Defence.

Mr. Harkness: The hon. member for Essex East has followed the course which is almost invariably followed by him in this House of Commons, namely that of misinterpreting and misrepresenting newspaper stories and so forth. He has said repeatedly that the Prime Minister has stated that we could secure nuclear warheads in half an hour.

Mr. Martin (Essex East): That is right.

Mr. Harkness: The Prime Minister said nothing of the kind. The newspaper report read by the Leader of the Opposition made that matter abundantly clear. The newspaper report read by the Leader of the Opposition started out by saying that the Prime Minister said that for reasons of security he could not state what time would be required.

Mr. Martin (Essex East): Then he went on to say he gave credence to the report.

Mr. Harkness: No, he did not say that. He said there had been some reports along this line. The hon. member for Essex East by repeating time after time that the Prime Minister said we could get nuclear warheads in half an hour, has tried to convey the impression that he had said this and that these were statements of his in quotation marks in this newspaper report, and so on; whereas the very report read by the Leader of the Opposition disproved completely the statements which the hon. member for Essex East has been making.

The Deputy Chairman: Shall vote 645 carry?

Mr. Hellyer: No, Mr. Chairman. If the minister believes, as he has told us, that the Prime Minister did not say what he is reported to have said, then in fairness to the committee he must tell us what the Prime Minister actually said.

An hon. Member: Rubbish.

Mr. Hellyer: The reason for that is quite obvious. Many newspapers from coast to coast gained the very impression which can easily be obtained by reading the newspaper report. In editorial comment in many newspapers there appears something like this. This one appeared in a paper not usually unfriendly to the present Conservative administration. I refer to the Timmins daily *Press*. It is entitled, "Thirty Minutes is Too Long", and reads as follows:

> Prime Minister Diefenbaker has at last declared his government's policy on nuclear arms. And what a policy. In a speech in Edmonton at the week end he stated that if war broke out Canadian forces would be armed with nuclear weapons. So Canada will wait until an attack is launched before it even gets the means to fight back.
>
> Asked whether the weapons would arrive fast enough from the United States in the event of war, if Canada didn't already have them, Mr. Diefenbaker said he could not reply for security reasons. He stated, however, that nuclear warheads for Canada's 65 Voodoo interceptors and Bomarc missiles could be made available in 30 minutes or an hour.

This is not a fiction that the opposition is creating, Mr. Chairman. This is an impression which is widespread in the country and which has been reported in other newspapers. Many newspapers have written editorials about it, including many which are friendly to the government. As the hon. member for Bonavista-Twillingate has so rightly stated, the Prime Minister has introduced a new policy and he has introduced it in the most unlikely of places, outside of the House of Commons in a speech to a Progressive Conservative association meeting in Edmonton.

We have the right to know how this policy was arrived at. We have the right to know whether it is feasible. We have the right to know by what means it may be implemented, and raises many questions which are pertinent to the vote now before us. For example, technical people who are familiar with these weapons, the F-101 and the Bomarc missile, have stated to us without

any secrecy whatever that the possibility of getting nuclear warheads in 30 minutes to an hour is just absolute nonsense; and that is a direct quotation. If this is absolute nonsense, let us hear from the minister what the proposal actually is.

Also, Mr. Chairman, on the question of some agreement with the United States we were told by the previous minister in 1959—

Mr. Churchill: What has this to do with the item?

Mr. Hellyer: —that we are fast reaching the stage where an exchange of notes will be possible with the United States. Have we reached the stage where an exchange of notes is possible? Is it part of the new agreement that weapons stored in the United States will be carried to Canada once war has been announced? The minister should give the committee the benefit of his knowledge in this matter.

One can envisage what might happen. Mr. Khrushchev might telephone the President of the United States and say, "Mr. President, our missiles are on the way over. Will you phone John and tell him?" "Who?" "John." "Who?" "The Prime Minister of Canada. Will you telephone the Prime Minister of Canada and tell him that the war has started and it is time for him to go and get nuclear warheads that he alleges he needs for the defence of Canada?"

There have been those who have said that continental defence in the missile age is a myth, but the minister by inference at least in asking us to spend millions of dollars for continental defence still believes that it is a valid defence posture. If the minister believes it is a valid defence posture, he must believe that the weapons under his control should be armed in their most effective manner. He has told us in times gone by, we were told by the previous minister and we have been told by the Prime Minister as recently as a week or two ago in Edmonton that in order to accomplish this it is necessary for nuclear devices to be employed. Are we to obtain these nuclear devices for our continental defence or are we not? This is the question to which the minister must address himself because if he does not the whole concept of his expenditure in relation to continental defence is just absurd.

If the minister feels as strongly on this subject as we are led to believe he does, if within the cabinet he is in direct conflict with the Secretary of State for External Affairs and if the minister feels it is essential that these weapons should be equipped with nuclear warheads, he should resign from the cabinet and tell the Canadian people what his views really are. That is the honourable course for him to take. If he does not agree with this waffling policy being followed by the government, let him resign and say so and tell us the basis on which his resignation is to take effect.

An hon. Member: Headline hunter.

The Deputy Chairman: Shall vote 645 carry?

Mr. Hellyer: No, Mr. Chairman. The minister cannot expect this item to carry without giving the committee some information with respect to the intention of the government in this very serious matter.

Mr. Harkness: Mr. Chairman, the speech just made by the member for Trinity indicates how far from this item the discussion has strayed. Members of the Liberal party have been going around in circles for the last hour and twenty minutes since we resumed this discussion at eight o'clock—

Mr. Martin (Essex East): Because of your intransigence.

Mr. Harkness: —attempting to carry on a general debate on defence and particularly in connection with the matter of the acquisition of nuclear weapons. I stated very plainly, clearly and simply that this was not a matter for debate at this time and that I did not propose to make any statement of government policy in connection with it. Members of the opposition know very well that this is a matter of general government policy—

Mr. Hellyer: It is much too general.

Mr. Harkness: —and that in discussing this particular item there is not going to be any announcement made of any change in government policy from that which has been stated and restated time after time for the past several months.

Mr. Pearson: Mr. Chairman, the minister has adopted his usual tactics of trying to evade a perfectly reasonable request for information on our part by saying that this item has nothing to do with our request for information. How many times do we have to read the item to him to make him understand that it calls for an expenditure of $31 million for major air equipment? Surely when we are spending this amount of money for major air equipment we have the right to try to find out whether or not that equipment can be used effectively. That is the issue, Mr. Chairman, but the minister says that has nothing to do with the question and that we are not going to talk about general defence policy or anything like that.

Our interest in this matter has been especially aroused by the fact that the Prime Minister has made statements outside the house which bear on the effectiveness or

otherwise of the use of this equipment. It is perfectly certain that when the Prime Minister made his speech in Edmonton he was trying to explain a change of policy on the part of the government by which nuclear warheads would not be obtained at this time for the equipment we are talking about in the committee tonight. But to reassure people like the minister, who had said earlier that this equipment was of no value without such warheads, the Prime Minister went on to make a statement that there was a report that these nuclear warheads could be obtained within half an hour to an hour. This was a report which the Prime Minister referred to in his statement on policy to a Conservative meeting, a very important statement indeed and one which bears directly on this item.

Having made this supplementary statement about the report, he then went on to say there was some credence in this report. The word "credence" means there was some authenticity in the report. There was something in the report which made it believable. If this is the case, and the Prime Minister states that, have we not the right to ask the minister to tell us more about this statement than we have got from him so far?

If in fact this can be done, if in fact the Bomarc squadron at North Bay can be armed, if the government so decided to arm it, with nuclear warheads within an hour, that would be an entirely different situation and would have a very important bearing on our whole defence policy. If the F-101 Voodoos could be armed in that way in an hour that would make a big difference. But we know and the minister knows that this is one of the most absurd statements ever put on the record and we ask the minister to clear it up and to agree that it is an absurd statement.

The fact is, of course, that part of the money we are being asked to vote tonight will no doubt be spent on these Bomarc squadrons. These two squadrons occupy a pretty strategic place in the link of Bomarc squadrons across the continent. Presumably they were put where they are being put, in the Laurentians and at North Bay, to guard the entry into the continent, down through New York state and into the steel area of Pittsburgh and Detroit. If this Bomarc defence has any validity at all—and some of us doubt whether it has any validity at all—but if we are to take the government's position as stated that this is an important element in our defence, then those two squadrons right in the middle of that chain of defence are vital to that defence. They were put there by the Canadian government after consultation with the United States government. They are now there, but they cannot be used because the equipment for that purpose has no ammunition.

We are being asked to vote money for these missiles without knowing whether or not these missiles could be used in an emergency because the government will not make up its mind how they are to be armed. When we keep pressing the minister for information on this vital point, he keeps on saying we are not going to discuss policy tonight; he says to parliament, you have to vote the money and we will later on decide whether or not this equipment can be used. This is the position the government has asked us to accept tonight.

Mr. Churchill: Will you vote against it?

Mr. Pearson: That is a very bright question, indeed.

Mr. Churchill: Let us have a bright answer.

Mr. Pearson: That is a very bright question from the minister; it is his brightest intervention this evening. Will we vote against the estimate? All we are asking the government to tell us is what this estimate is for, and they refuse to do it.

The other element in this defence chain is the Voodoo squadrons. We are told there are to be five, but we are not to be told whether or not they are to be armed, as the government says they can only be effectively armed, with nuclear weapons. The minister has refused to give us information on that score. The Voodoo plane, which is now the equipment for this continental defence squadron, is a plane which is no longer being manufactured in the United States. It replaces the Canadian Arrow. We have a second hand United States plane replacing the Canadian Arrow, and we do not know how this second hand United States plane is going to be equipped.

An hon. Member: That is all you know about it.

Mr. Pearson: I ask the minister, then, is this plane which is now the backbone of our continental squadron, now under manufacture in the United States at all or has it been given up in so far as manufacture is concerned?

Mr. Harkness: The Leader of the Opposition started by directing my attention to this vote. I have directed his attention, and that of various other members, to it on several occasions during this debate. I wish that he would pay some attention to the vote. He has not requested any information in connection with it. Every question he has asked tonight has

been in connection with nuclear weapons. This vote does not provide any money for any nuclear weapons whatever.

Mr. Churchill: The Leader of the Opposition wants nuclear weapons.

Mr. Harkness: He has been talking at considerable length about the Bomarc. This item does not ask for any funds for the Bomarc, none whatever. Now, I outlined what the vote was for when we started to debate the item.

Mr. Hellyer: Major equipment.

Mr. Harkness: I will repeat the purpose for which this money is being requested. It is to purchase real property, land and buildings, $50,000; aircraft and engines—this is for the CF-104—$47,200,000; ammunition and bombs —these are practice bombs—

Mr. Hellyer: Have you any other kind?

Mr. Pickersgill: Bows and arrows.

Mr. Harkness: —$1,261,000. Those are the items for which the money is being asked. These items total $49 million and some odd, but we have some offsetting items as I explained when we started this debate, because of the shortfall of some other items in this vote. The total amount required, therefore, is $31 million. There is not a single item here in connection with securing nuclear weapons in any shape or form. There is not anything here in connection with the Bomarc. These are all the matters about which the Leader of the Opposition and other members have been talking. They have deliberately refused to ask any questions about this vote. The Leader of the Opposition accused me of refusing to answer any questions. I have not refused to answer any questions about this item. I have not been asked any questions, except one or two by the hon. member for Trinity, about this item. All these questions have been in connection with the acquisition or non-acquisition of nuclear weapons, a subject which is not under discussion under this item and should not be under discussion under this item.

Mr. Pickersgill: This is the most preposterous proposition the minister has yet made. He told us that $47 million in this vote is to be spent on aircraft. Then, he says you have got to vote blind, you cannot ask a single question about how these aircraft are to be armed because none of this money is going to be spent on arms for them, except for practice bombs. In other words, to make some kind of homely comparison, it is like asking someone to buy a rifle and when he asks, "can we get ammunition for this rifle?" you say, that is none of your business; buy the rifle. You have no right to ask whether or not there will ever be any ammunition for it; buy the rifle.

An hon. Member: That is childish.

Mr. Pickersgill: Do not ask any questions about it. The minister said he was asked no questions, but my hon. friend the Leader of the Opposition asked him if these planes were still being manufactured. He did not answer that question. I notice he started on a tirade when that question was asked because he obviously did not want to admit that this second hand plane that he and his friends decided to buy when they decided to destroy the best plane that has ever been made, was no longer being made or bought by the United States.

As a matter of fact, when the Prime Minister said at that Progressive Conservative meeting in Edmonton that our troops were not going to be armed with bows and arrows, we could reply by saying we are not so sure about the bows because that is apparently all the ammunition that is going to be purchased for these aircraft, but we know for sure they are never going to have any arrows because the government took good care to destroy them, and destroy them without a trace.

Now, sir, I do not pretend to know anything whatever about the details of defence. However, I do know that $47 million is an awful lot of money to be taken out of the pockets of the taxpayers of this country. I feel it is a most preposterous proposition to suggest that the opposition or the supporters of the government should not ask questions about this. After all, the supporters of the government have the same duty we have, if they were doing their duty, to inquire into these expenditures—

Mr. Flynn: We are doing our duty.

Mr. Pickersgill: No shouting by the junior minister can cover up the principle that all sides of this house are elected primarily to save the taxpayers' money. Hon. gentlemen who were elected with Tory majorities—

Mr. Pigeon: How about Mr. Howe?

Mr. Pickersgill: I never heard Mr. Howe refuse to give information in this house—

Some hon. Members: Oh, oh.

An hon. Member: Take your earplugs out.

Mr. Pickersgill: I never heard Mr. Claxton refuse; I never heard Mr. Campney refuse. As a matter of fact, when we were in office points of order were not raised by ministers about defence expenditures. Ministers answered questions and they kept on answering

questions. They gave every bit of information except such bits of information as could not be given for security reasons.

Mr. Churchill: That is completely false.

Mr. Pickersgill: They certainly did not deny information. Of course, then we had a prime minister who did not make these irresponsible statements. Here, the Prime Minister goes out to Edmonton and makes a statement. For what purpose did he make that statement in Edmonton? He made that statement in Edmonton to create a certain impression in the public mind in this country. The impression he created, as the hon. member for Trinity showed when he read that editorial from the Timmins press, was that these armaments for these planes could be obtained in an hour or half an hour. This is what the Prime Minister sought to do. He said there were reports of this and—

An hon. Member: You were there?

Mr. Pickersgill: —he said credence could be given to them. The word credence means belief. In other words either the Prime Minister was acting with total irresponsibility in making that statement or he meant it to be believed. Which did he do? Was he trying to pull the wool over the eyes of the Canadian people, or did he mean that statement to be believed?

Mr. O'Hurley: Come back to the item.

Mr. Pickersgill: We are right on the item. What the Prime Minister was talking about was the armaments for these planes for which the minister is asking us to vote $47 million. That is what the Prime Minister was talking about; it was about this precise item. I know that it must be very embarrassing for the minister to have to choose between sitting there quietly or having to get up and say the Prime Minister was talking through his hat. That is the terrible alternative which the minister faces. He has to sit there silent or get up and tell us what the facts are, and that would mean he has to describe what the Prime Minister said as nonsense, as the Leader of the Opposition said earlier it was, and as the experts described it.

I think it is patent to anybody with any kind of experience that even if these weapons could be got in an hour it would take more than an hour to train men to use them. It is not only nonsense, it is irresponsible nonsense. It seems to me it is not only nonsense but much worse than that for the Prime Minister of this country, the leader of the house, to go to another place outside this house and make statements about the most fundamental of all our policies, the security of our people, and for the government to refuse to explain those statements in this house, to refuse to say what they really mean, to refuse to say what the position really is.

We are not asking the minister now whether he has made a decision about whether they are going to get nuclear weapons. We are asking him to tell us how quickly we can get them if we want them, and how quickly they could train the men to use them.

Before agreeing to buy these planes we should know how long it would take to get effective weapons for them. I shall not repeat what the Leader of the Opposition has already read, but I ask how long it would take to get them and whether they could be got legally at all at the present time—how long it would take and how long it would take for the men who are going to use them to be taught how to use them? Surely that is a most reasonable, simple and obvious question to ask before we vote $47 million to be spent on a plane made in another country, because this government saw fit not merely to destroy a plane but to destroy the whole complex by which it could be made in this country.

Mr. Harkness: The hon. member for Bonavista-Twillingate has displayed all his usual inaccuracies and lack of logic in the remarks he just made. He said this question was the most basic policy question facing the Canadian people, but just a little while ago he was arguing that all this talk was germane to this item; and as I pointed out this item has nothing to do with question of nuclear warheads.

Mr. Pickersgill: It has to do with getting the planes.

Mr. Harkness: There is one thing I must comment on. The hon. member said he did not know much about defence or defence matters. He certainly demonstrated this was the case. He proved it, by saying that in securing the 101 we secured an obsolete, second hand fighter, and so forth.

Mr. Pickersgill: I did not say that at all. I said it was a plane which is no longer being made.

Mr. Harkness: This is what you said, and somebody else over there mentioned the same thing. I would point out that this is the most up to date, two-seater, long range fighter in existence in any air force. It is the most up to date—

Mr. Pearson: It is no longer being made.

Mr. Harkness: It is the most up to date long range fighter plane in the United States or any other air force.

Mr. Hellyer: Thanks to the co-operation of the Canadian government in destroying the Arrow.

Mr. O'Hurley: Which you were going to destroy, yourself.

Mr. Harkness: It is so up to date that the capabilities of the plane are still on the secret list and have never been given out. Such a statement by the hon. gentleman from Bonavista-Twillingate indicates his lack of knowledge in regard to this matter, and he referred back to the greatest mistake ever made in defence ordering. This was to order and start putting into production the Arrow aircraft which cost this country a very large amount of money and which, if carried through, would have cost an enormous amount of money and would have resulted in practically cutting out all other defence expenditures, or bringing in a large increase in taxes. It was the worst mistake ever made in regard to securing defence equipment.

The Deputy Chairman: Shall vote 645 carry?

Mr. Pearson: Perhaps I did not hear the minister. Did the minister say this Voodoo plane is now being manufactured in the United States?

Mr. Harkness: It is not being manufactured at the present time.

Mr. Pickersgill: That is what I said.

Mr. Harkness: As a matter of fact the planes we got came off the production line not so very long ago, and the fact that there are no further ones being manufactured now has nothing to do with the performance of this plane or whether it is up to date.

Mr. Pearson: The fact that the plane is not being manufactured at all at the moment shows that the Americans have given up on that plane, and that is the end of that plane so far as manufacture is concerned. The facts speak for themselves. It may be a first class plane, but it is not really a first class plane when the Americans have given up manufacturing it.

The Deputy Chairman: Shall vote 645 carry?

Mr. Hellyer: Can the minister say if there is anything included in this item for acquisition of manual control back up radars as an alternative means of controlling our air defence in the event that the majority of our SAGE installations have been wiped out?

Mr. Harkness: Not in this estimate.

The Deputy Chairman: Shall vote 645 carry?

Mr. Hellyer: Before it does I wonder would the minister just tell us the reply to this question. Is he asking us to vote money for the F-101 not knowing whether it will ever be equipped with an atomic missile which in his opinion, as he stated earlier, it has to have if it is to reach its full potential?

The Deputy Chairman: Shall vote 645 carry?

Mr. Hellyer: No, Mr. Chairman. Just give the minister a moment to reflect on the question.

Some hon. Members: Carried.

The Deputy Chairman: Shall vote 645 carry?

Mr. Hellyer: I have one more simple question. Is the minister asking us to vote funds for the acquisition of the F-104 without knowing whether it will ever be equipped with atomic missiles in order to perform the strike attack role for which the aircraft were originally purchased?

The Deputy Chairman: Shall vote 645 carry?

Mr. Pearson: Before it does, will the minister admit that these questions are relevant to the item under discussion?

Mr. Harkness: No.

The Deputy Chairman: Shall vote 645 carry?

Mr. Hellyer: Just a minute. Would the minister say if there are any armaments being bought at the present time for the F-104?

Mr. Harkness: As the 104's have only begun to come off the production line and we are just setting up training facilities to train the crews to operate them. They will not be going into operation for a year and, as I said several times before, the matter of securing armaments for them is not an urgent matter at this time.

Mr. Hellyer: If the matter of securing armaments is not urgent surely the question of what kind of armaments will be secured is urgent because it affects the decision as to whether or not we should proceed with this expenditure?

Mr. Churchill: Vote against it.

Mr. Hellyer: The minister has cast aspersions on the decision to commence the construction of the Avro Arrow. He did this many times before. He did it on the west coast, in Victoria, when he was out there during a by-election. He has said that it was the greatest mistake Canada ever made, and so on, notwithstanding the fact that when the cancellation was made the Prime Minister had told the house that it was in complete good faith.

Mr. Pugh: What did Mr. Howe say?

The Deputy Chairman: Order. The question of the cancellation of the Arrow came up by way of analogy previously. I hope

that the committee will not get into a general debate on something that is already in the past.

Mr. Hellyer: Mr. Chairman, I promise you that I shall not, but I just wanted to make this comparison. Here we are embarking upon another program and the total commitment involves at least half a billion dollars. If the minister and the government have no intention that these carriers shall ultimately fulfil the role for which they were being manufactured, then we are embarking upon another $500 million fiasco, and the time for us to be told is now.

Some hon. Members: Oh, oh.

Mr. Jones: He has admitted it.

An hon. Member: Don't correct *Hansard* on that one.

Mr. Hellyer: No, Mr. Chairman, I will not correct *Hansard* on that one. It was a fiasco because in cancelling it at the time that they did, and in the manner in which they did, this government did more damage to the industrial potential of this country than could be deliberately achieved by any government in a decade, and they know it; and the people have been scattered to the four corners of the earth and a whole generation of young Canadians have lost faith in their country as a result.

The Deputy Chairman: Order. I am only interrupting the hon. member again because I want to be fair, and I hope he will be fair to the Chair in not bringing in a subject that is not relevant to the item under consideration in little bits and pieces. Perhaps he could come back to the item and give his co-operation.

Mr. Hellyer: Yes, Mr. Chairman. I am very sorry; I have no intention of embarking upon a debate on the Avro Arrow at this late stage even though I noticed that Your Honour did not interrupt the minister when he introduced it into the debate—

Mr. Harkness: It was the hon. member for Bonavista-Twillingate who introduced it.

Mr. Hellyer: However, the question of comparison is a valid one. We are embarking upon a commitment of half billion dollars and we have no guarantee whatsoever by the government that the purpose of the expenditure will be as was represented at the time when we embarked upon it. This is a serious omission. Furthermore, if we carry the comparison to its ultimate, in purchasing this $500 million worth of aircraft and appurtenances we are diverting hundreds of millions of dollars which could be used for other purposes; which could be used for the Canadian army in the acquisition of the fire power and transport it needs; which could be used for transport aircraft; which could be used for fighter aircraft for air support of the ground troops; which could be used for many other things. These are the alternatives that we could turn our attention to if this money were available for other purposes.

In order to intelligently consider the alternatives we must know, and we should know, at this stage whether the government intends to proceed to the fulfilment of its obligations in respect to the strike role and arm the F-104 with atomic missiles, because without that information the committee is, if I may use this expression, flying blind.

Mr. Pearson: Mr. Chairman, I would like to ask the minister a very simple question and I am sure he will be able to answer it. It is in connection with the manufacture of the F-104. The minister has said that no decision need be taken in regard to its weapons system; that can be done later; the first aeroplane has not yet been delivered; it has not been tested; it is not going to reach the air division—

Mr. Harkness: I did not say the first aeroplane had not been delivered.

Mr. Pearson: The minister said that the first aeroplane had not yet been delivered to the Canadian air division. Not a single aeroplane delivered, nor a decision taken to adopt this aeroplane until I do not know how long ago. In any event, would the minister answer this question. How can you manufacture, turn out and equip an aircraft without knowing what weapons system it is to have?

Mr. Harkness: Mr. Chairman, if the hon. member had been here between half past four and five o'clock this afternoon he would have heard me say that this particular aircraft will have the capability of carrying eight different types of weapons.

Mr. Pearson: I was here between half past four and five o'clock and I did not hear the minister say that. But that does not answer my question. Are you going to equip an aeroplane for overseas service, knowing that it can have any one of eight different weapons system, and not decide which one you are going to use in the aeroplane?

Mr. Harkness: Yes, Mr. Chairman, I think it is quite evident that you might use different ones at different times, depending on what particular purpose you have in mind.

Mr. Pearson: Oh.

The Deputy Chairman: Shall vote 645 carry?

Mr. Matheson: Mr. Chairman, the minister was speaking about the superiority of the equipment which has been purchased under this estimate. I am looking at an article on defence published in *Saturday Night* of February 18, 1961, which says:

Recently, it has even indicated that it—

Referring to the government:

—might purchase a fighter in the United States, the McDonnell Voodoo, inferior in performance to what was expected of the Arrow . . . If the Voodoo was acquired, we would be back where we were at the beginning of 1959, with the only exception that the R.C.A.F. would be getting two American weapons systems for aerial defence instead of one Canadian.

Is the equipment the minister was speaking about the McDonnell Voodoo referred to in this old article of February 18, 1961?

Mr. Harkness: The F-101B is referred to as the Voodoo. Whether or not it is the McDonnell Voodoo, I do not know. The Voodoo is one of the names which has generally been applied to it. I have already stated the fact that it is the most up to date interceptor aeroplane of its type that exists.

The Deputy Chairman: Shall vote 645 carry?

Mr. Pallett: Mr. Chairman, would you call a standing vote on this item.

Item agreed to: Yeas, 82; nays, 2.

The Deputy Chairman: I declare the item carried.

Pensions and other benefits—

646. To provide that George Alvin Baycroft, a former employee of Her Majesty, shall, subject to such terms and conditions as the treasury board prescribes, be deemed to have been designated a contributor pursuant to paragraph (f) of subsection (1) of section 4 of the Public Service Superannuation Act on the 1st day of October, 1957, $1.

Mr. Herridge: Mr. Chairman, I have been waiting to say a word on this vote. I trust I am in order, because this item refers to pensions and other benefits and I want to refer to one or two items mentioned by the Auditor General in his report which was tabled at the end of March.

The report mentioned a 27 year old corporal who was fired as an "administrative nuisance" and granted a life pension worth $27,000. Then the auditor general mentioned that a 37 year old R.C.A.F. officer—

Mr. Harkness: On a point of order, Mr. Chairman, I do not like to interrupt the hon. member but this particular vote has no general application. As is indicated, it is to provide a pension for a member of the department who inadvertently, because of the regulations that existed, did not get a pension. In other words, it is to correct a mistake and is to provide a pension for this gentleman who should have been designated by the governor in council to have been a contributor under the superannuation act but, due to an administrative oversight, this was not done. The omission was not discovered until after his retirement and consequently for superannuation purposes under the act his employment ceased on September 30, 1957, whereas in fact it continued until August 31, 1959. This administrative error reduced his public service by one year and eleven months, so that instead of getting the pension to which he was entitled he is receiving a pension of some $12 a month less than he should be getting. This action is taken to correct that administrative omission.

Mr. Herridge: If I am out of order, I will wait for the main estimates to deal with the question.

Item agreed to.

670. To authorize loans to be made in the current and subsequent fiscal years in respect of housing projects constructed, pursuant to an agreement with the Minister of National Defence, for occupancy by members of the Canadian forces; such loans to be at interest rates and in accordance with such terms and conditions as the governor in council prescribes—further amount required, $5,000,000.

Mr. Pickersgill: Will the minister explain this vote?

Mr. Harkness: This is to provide for funds for the construction of housing on a loans basis. We are having constructed several housing projects in connection with which the Department of National Defence puts up the money or makes a loan to the entrepreneur to construct the houses. We agree to maintain occupancy for a certain length of time which varies from one project to another. We lend this money, and in return we have a guaranteed rate of rental which amounts in nearly all cases to approximately the same amount as is charged for permanent married quarters, a sum which varies according to the rank of the individual.

This is a means of getting these houses built without making a capital outlay as far as the department or the government are concerned.

Mr. Pickersgill: Is this an addition to the total vote, or is this money intended to be spent on some special project?

Mr. Harkness: It is just an addition. The sum of $22 millions has been authorized so far for this purpose. Housing projects already approved, and those approved in principle, amount to $26,254,000, so we need this extra

amount in order to finance these various housing propositions which are urgently needed and in respect of which approval in principle has already been given.

Mr. Pickersgill: In other words, they have been approved on the assumption that parliament would grant this money, because this is March 20 and I presume this money cannot be used for anything in the new fiscal year. Or is this a continuing fund?

Mr. Harkness: Once the loan has been approved it can be made in the next fiscal year. These projects have been approved within the department and, I think, in most cases by treasury board; but before a number of them can be started there must be parliamentary approval of this extra amount.

Mr. Pickersgill: There is one other point, and possibly I can get this cleared up. It may not be very important. Can the minister say whether if there were any loans approved after April 1 there would have to be a new vote for this purpose, or is this a continuing vote of money that could be used?

Mr. Harkness: This is a continuing vote. Although $22 million have already been approved for this purpose we are asking for a further $5 million. The amount which has been actually put out so far is only $9,784,000, but a further $16,470,000 has received treasury board approval. In some cases the projects have been started. In others approval has been given by the treasury board. In order to go ahead we need the extra money contained in this vote so as to increase the amount of the loans.

Item agreed to.

The Deputy Chairman: We now turn to the supplementary estimates of the Department of Mines and Technical Surveys.

Mr. Churchill: Mr. Chairman, I wonder if you would take items 647 and 667 which are noncontroversial and which, perhaps, could be passed tonight. Then, tomorrow, we could come to the Department of Mines and Technical Surveys.

NATIONAL RESEARCH COUNCIL, INCLUDING THE MEDICAL RESEARCH COUNCIL

647. Construction or acquisition of buildings, works, land and equipment—further amount required. $298,000.

Mr. Pickersgill: This is the research council. Perhaps the minister could give us a word of explanation.

Mr. Churchill: Yes, I would be glad to. This is to provide for the acceleration of certain construction by the national research council. There are really five items—the construction of a power line installation into the council's radio laboratory in Algonquin park, an air control plant installation at the laboratory on the Montreal road, acceleration of the vertical take-off and landing project, the erection of two-storey huts and the erection of a number of similar items of equipment by the national research council.

Item agreed to.

DEPARTMENT OF VETERANS AFFAIRS

Miscellaneous payments—

667. To deem the election made by the late Emery Leduc on the 16th day of September, 1957 to be valid for all purposes of the Public Service Superannuation Act, notwithstanding that he was not medically examined as required by section 18 of the said act, and to authorize payment of benefits to his widow and children as if he had taken and passed the medical examination so required, $1.

Mr. Pickersgill: Could we have an explanation of this?

Mr. Churchill: This is something like the item which was just dealt with by the Minister of National Defence. It affects one individual. An error was made at the time he should have made an election with regard to his past departmental service. There was an omission in that procedure, and consequently his widow and children have been deprived of part of the superannuation allowances to which they would have been entitled had that election been correctly made. There was an error, inasmuch as the deceased did not at the proper time undergo a medical examination as required by section 18 (1) of the Public Service Superannuation Act. The action being taken now will result in a benefit to the widow and the children.

Mr. Pickersgill: Is this being made retroactive to the date of the man's death?

Mr. Churchill: This is a return of the superannuation contributions rather than a continuing pension. Apparently the amount which was returned was inaccurate. As a result of this non-election the widow and children are entitled only to a refund of his contribution in the amount of $1,100.49.

Item agreed to.

Some hon. Members: Ten o'clock.

Progress reported.

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

Business of the House

BUSINESS OF THE HOUSE

Mr. Pickersgill: I wonder if the leader of the house could say whether there is any change in the program announced last night.

Mr. Churchill: I hope the opposition will announce a change in their method of procedure in the committee with regard to passing these estimates.

An hon. Member: Since when?

Mr. Churchill: Simply to speed things up. I know how co-operative they are.

I should like to correct a misapprehension which might arise from my announcement of the business last night. In answer to a question by the hon. member for Laurier, as reported in *Hansard* on page 1964, second column, having to do with the final supplementary estimates which were tabled yesterday—I think he intended to ask me if they would be taken immediately after the conclusion of these supplementary estimates—

Mr. Pickersgill: I think that was his intention.

Mr. Churchill: But he did not use that phrase and I did not intend that my answer would imply that they would be taken immediately after these. We will carry on tomorrow starting with mines and technical surveys, item 637.

Mr. Pickersgill: Then we will carry on consecutively from there on?

Mr. Churchill: That is right.

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

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

DEPARTMENT OF NATIONAL DEFENCE

Canadian Army—

644. Operation and maintenance—further amount required, $35,000,000.

Royal Canadian Air Force—

645. Construction or acquisition of buildings, works, land and major equipment—further amount required, $31,000,000.

Pensions and other benefits—

646. To provide that George Alvin Baycroft, a former employee of Her Majesty, shall, subject to such terms and conditions as the treasury board prescribes, be deemed to have been designated a contributor pursuant to paragraph (f) of subsection (1) of section 4 of the Public Service Superannuation Act on the 1st day of October, 1957, $1.

670. To authorize loans to be made in the current and subsequent fiscal years in respect of housing projects constructed, pursuant to an agreement with the Minister of National Defence, for occupancy by members of the Canadian forces; such loans to be at interest rates and in accordance with such terms and conditions as the governor in council prescribes—further amount required, $5,000,000.

NATIONAL RESEARCH COUNCIL, INCLUDING THE MEDICAL RESEARCH COUNCIL

647. Construction or acquisition of buildings, works, land and equipment—further amount required, $298,000.

DEPARTMENT OF VETERANS AFFAIRS

Miscellaneous payments—

667. To deem the election made by the late Emery Leduc on the 16th day of September, 1957 to be valid for all purposes of the Public Service Superannuation Act, notwithstanding that he was not medically examined as required by section 18 of the said act, and to authorize payment of benefits to his widow and children as if he had taken and passed the medical examination so required, $1.

HOUSE OF COMMONS

Wednesday, March 21, 1962

The house met at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Government House,
Ottawa, March 21, 1962

Sir:

I have the honour to inform you that the Honourable Robert Taschereau, judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate chamber on Friday, the 23rd March, at 5.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,

Col. A. G. Cherrier,
Assistant Secretary to the Governor General

UNITED NATIONS

TABLING OF CANADA'S REPLY TO INQUIRY RESPECTING SWEDISH RESOLUTION

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the government has replied to the inquiry received from the secretary general of the United Nations relating to general assembly resolution No. 1664, XVI, commonly referred to as the Swedish resolution. The reply was contained in a note from the acting permanent representative of Canada to the United Nations to the United Nations secretary general, U Thant, and was delivered this morning. I should like now to have this communication tabled for the information of hon. members.

Mr. Speaker: Has the Prime Minister leave to table the document to which he has referred?

Some hon. Members: Agreed.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ADOPTION OF METRIC SYSTEM OF MEASUREMENTS

Question No. 290—**Mr. Badanai:**

In view of considerable interest shown by Canadians favouring the adoption by Canada of the metric system of measurements instead of the English system, has the government given any consideration to the proposal, or has the government any intention of doing so?

Answer by: **Mr. Morris:**

The government is aware of the interest expressed from time to time in the adoption by Canada of the metric system of measurements in place of the inch/pound system. The proposal is of course met in part by the fact that metric is already a legal system in Canada and may be used by anyone who finds it beneficial so to do. At such time as it appears that the adoption of metric as the sole system would be advantageous to Canada as a whole, consideration would be given to such change.

*CANADIAN CAR CO.—PRODUCTION OF BOBCAT VEHICLE

Question No. 297—**Mr. Fisher:**

1. Did the then minister of public works and the Minister of Defence Production meet a delegation from the lakehead in April 1959 (April 8 and 9) regarding the future of the Canadian Car Company plant in Fort William; and, if so, (a) did discussions take place regarding the possibility or probability of having an order placed at the plant in the future for the construction of an armoured fighting vehicle called the "Bobcat" (b) was any estimate given the delegation of an approximate time sequence in the development of the "Bobcat" and the initiation of firm tenders for its construction (c) what problems or difficulties have arisen since 1959 to throw awry such a schedule?

2. If not, is there any likelihood now of the government giving consideration to putting the "Bobcat" into full production and directing any of the production to the Fort William plant?

Mr. O'Hurley:

1. A meeting was held with a delegation from the lakehead in April, 1959 at which the future of the Canadian Car Company plant in Fort William was discussed.

(a) Yes.

(b) and (c) No realistic date could be given concerning volume production at this point as the Bobcat was still in the development stage. A prototype was completed in October of 1960 and following user trials it was decided to embark on a further product improvement phase.

2. When the current contract has been completed it is intended that competitive tenders will be invited for the volume requirement.

Questions

*SMUGGLING BY ARMED FORCES PERSONNEL IN INDO-CHINA

Question No. 300—**Mr. Herridge:**

1. Have any members of the armed forces of Canada been found guilty of smuggling gold and/or opium in, to or from Indo-China since 1954?
2. If so, (a) what are their names, ranks, and present military status (b) what was the charge or what were the charges on which each was found guilty (c) what was the punishment in each case?

Mr. Harkness: The answers are as follows:

1. Prior to 1961 no charges were laid against any members of the armed forces of Canada relating to alleged smuggling of gold and or opium in, to or from Indo-China. In late 1961 and in early 1962 three persons were charged and convicted summarily in Indo-China. Charges are pending against some other servicemen in respect of the 1961 incidents.

2. (a): Sgt. J. M. Champagne, Sgt. W. B. Gaebel and Cpl. A. J. Hill. (b) and (c): Each was convicted under section 118 of the National Defence Act, conduct to the prejudice of good order and discipline. Each was sentenced to a fine of $100 and a severe reprimand and returned to Canada. Consideration is now being given to their compulsory release from the service.

POST OFFICE CONSTRUCTION, REVENUE RANGE $40,000-$60,000

Question No. 310—**Mr. Benidickson:**

1. At what localities has the government constructed or provided estimates for the construction of new public buildings to accommodate post offices where annual postal revenues prior thereto had been within the range $40,000 to $60,000 for the five fiscal years 1958-59 to 1962-63 inclusive?
2. What was the actual or anticipated capital cost for each such building (a) for land (b) for building and equipment?

Answer by: **Mr. Walker:**

1. Ottawa, postal station "E"; Richmond Hill, Ontario; Stoney Creek, Ontario; Roxboro (formerly St. Genevieve), Quebec.

2. (a) Cost of land:

Ottawa postal station "E"	$64,302
Richmond Hill, Ontario	40,000
Stoney Creek, Ontario	24,100
Roxboro (St. Genevieve), Quebec	17,500

(b) For building and equipment:

Ottawa postal station "E"—	
contract cost	$301,441.13
lock boxes and fittings	755.00
	302,196.13
Richmond Hill, Ontario—	
contract cost	171,118.12
lock boxes and fittings	1,400.00
	172,518.12
Stoney Creek, Ontario—	
contract cost	79,632.85
lock boxes and fittings	212.00
	79,844.85
Roxboro (St. Genevieve), Quebec—1962-63 (estimate)	105,000

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN EMBASSY IN FRANCE—PERSONNEL

Question No. 275—**Mr. Regier:**

1. What are the names and positions held by each of the people attached to, or assigned to, work with our Canadian embassy in France since January 1, 1954?
2. What were the periods of such responsibilities given there to each such person?
3. Which of these people received promotions during said period of service, and what are the details of each of these promotions?
4. Which of these people are not now in the employ of the federal government, and what was the reason for termination of service in each case?

TRENT WATERWAY WATER FLOW

Question No. 295—**Mr. Pitman:**

What has been the volume of water passing through the Trent waterway at the nearest point to the city of Peterborough in each month, of each year, since 1950?

Mr. Martini: Tabled herewith.

APPLICATIONS FOR SUMMER EMPLOYMENT, COMPETITION 62-50

Question No. 296—**Mr. Pitman:**

1. How many applications were received for summer employment under competition 62-50 of the civil service commission?
2. Who were the successful candidates, and in which electoral districts are each resident?
3. Were any representations made on behalf of any of the successful candidates; and, if so, by whom?
4. What were the academic qualifications of each of the successful candidates?

MOTIONS FOR PAPERS

1952 ST. LAWRENCE SHIP CANAL AND MONTREAL HARBOUR COMMITTEE REPORT

Motion No. 28—**Mr. Fisher:**

That an order of the house do issue for a copy of the recommendations of the St. Lawrence ship channel and Montreal harbour committee (1950) report on the fourth item of terms of reference dated October 1, 1952.

Mr. Balcer: The document referred to in this motion is an interdepartmental document, and as it is the long established practice of the house that such interdepartmental documents are not tabled I would ask my hon. friend whether he would be willing to withdraw the motion.

Mr. Fisher: I understood from a conversation I had with someone in the department some months ago that the document had been revealed to the Americans in the preliminary negotiations regarding the seaway. It was for that reason I assumed that because it had been opened to them it would be available to the house. If the minister can assure me that it is strictly an interdepartmental document I shall be only too pleased to withdraw the motion.

Mr. Balcer: This motion is non-debatable, and I stand on what I said earlier.

Mr. Speaker: Does the hon. member wish to proceed with the motion?

Mr. Fisher: No.

Order discharged and motion withdrawn.

ARGENTIA FERRY SERVICE

Motion No. 29—**Mr. Pickersgill:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of any communication addressed to the premier of Newfoundland or any member of the government of Newfoundland by the Minister of Transport since January 1, 1962, regarding the proposed ferry service to Argentia, together with any replies thereto.

Mr. Balcer: Mr. Speaker, there is no objection to this motion, subject to the usual reservation as far as obtaining the agreement of the province is concerned.

Mr. Speaker: Subject to the reservation expressed by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

LAKEHEAD AIRPORT—IMPROVEMENT IN FACILITIES

Motion No. 30—**Mr. Fisher:**

That an order of the house do issue for a copy of all correspondence exchanged between the Minister of Transport and persons, other than Department of Transport officials, who have been in touch with him regarding improvements in facilities at the lakehead airport.

Mr. Balcer: Mr. Speaker, there is no objection to this motion, with the understanding, as agreed to by the mover, that the correspondence to be produced will date back to January 1, 1961.

Mr. Speaker: Subject to the reservation expressed by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

NEW POST OFFICE, LONGLAC, ONT.

Motion No. 31—**Mr. Fisher:**

That an order of the house do issue for a copy of all correspondence of any kind between the Minister of Public Works and anyone interested in developing a new post office at Longlac, Ontario.

Mr. Walker: Mr. Speaker, this motion is acceptable, subject to the usual reservation of privileged and confidential correspondence.

Mr. Speaker: Subject to the limitations expressed by the Minister of Public Works, is it the pleasure of the house to adopt the motion?

Motion agreed to.

POST OFFICE, DRYDEN, ONT.

Motion No. 32—**Mr. Benidickson:**

That an order of the house do issue for a copy of all correspondence since January 1, 1960, of any kind between the Postmaster General and/or the Minister of Public Works and anyone interested in enlarging the post office at Dryden, Ontario, or relating to a proposal that the Dryden post office be relocated.

Mr. Walker: Mr. Speaker, I am informed that there has been no correspondence with either of the departments, and in those circumstances would the hon. member for Kenora-Rainy River wish to withdraw his motion?

Mr. Benidickson: Agreed.

Mr. Speaker: Withdrawn.

Order discharged and motion withdrawn.

ECONOMIC FORECAST FOR CURRENT YEAR

Motion No. 33—**Mr. Pickersgill:**

That an order of the house do issue for a copy of the latest economic forecast prepared in the Department of Trade and Commerce in the series substituted for the Canadian Economic Outlook as described in *Hansard* for August 10, 1960 at page 7878.

Mr. Hees: Stand.

Mr. Pickersgill: Mr. Speaker, since the minister is not prepared to proceed with this motion at once I would ask you to have it transferred to notices of motions, papers, so that it may be debated.

Mr. Speaker: Pursuant to standing orders this motion is transferred to the heading notices of motions, papers.

HALIFAX TELEVISION PROGRAM "YOUTH WANTS TO KNOW"

Motion No. 34—**Mr. Pickersgill:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence since October 1, 1961, between the board of broadcast governors on the one hand and any other person on the other, respecting a program on television station CJCH-TV Halifax, entitled "Youth Wants to Know".

Mr. Nowlan: The motion is acceptable, Mr. Speaker.

Motion agreed to.

Inquiries of the Ministry

POWER

COLUMBIA RIVER—APPROVAL BY HOUSE BEFORE RATIFICATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister, in view of certain statements that have been made in recent days, whether he can give the house an assurance that the Columbia river development treaty with the United States will not be ratified until it has been discussed and approved in this house.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think the hon. gentleman is fully aware of the fact that ratification by this house is necessary.

Mr. Pearson: Ratification is an executive action.

CORRESPONDENCE WITH PROVINCES RESPECTING NATIONAL GRID

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, on Monday I asked the Prime Minister if he could ascertain whether he had any correspondence with the provincial governments about the power grid that had not been tabled, and the hon. gentleman said he would look into the matter and table the correspondence if there were any.

Right Hon. J. G. Diefenbaker (Prime Minister): Yes, Mr. Speaker. I did not say I would table it, I said I would make it available. However, I tabled it yesterday.

Mr. Pickersgill: Mr. Speaker, on a question of privilege, in the Prime Minister's absence yesterday I put a question about this matter to either of his parliamentary secretaries, and they professed a most total ignorance about it. One sometimes wonders what they are paid their salaries for.

Mr. Speaker: Order. The hon. member's point does not constitute a question of privilege.

Mr. Diefenbaker: Mr. Speaker, may I say there is no reason for the hon. gentleman to show his ignorance, either.

[*Later:*]

Mr. Pickersgill: Mr. Speaker, I should like to raise a point of order with respect to the documents which were tabled yesterday by the Prime Minister. I have in my hands *Votes and Proceedings* for yesterday which I have now looked at, since the Prime Minister drew attention to what he was pleased in his courteous way to call my ignorance.

Mr. Diefenbaker: I think that was factual.

[Mr. Nowlan.]

Mr. Pickersgill: I read the following from *Votes and Proceedings* for yesterday:

> The following papers having been deposited with the Clerk of the house were laid upon the table pursuant to standing order 40, namely:
>
> By Mr. Diefenbaker, a member of the Queen's privy council,—Exchange of correspondence between the Prime Minister of Canada and provincial premiers concerning the federal-provincial meeting of ministers on March 19, 1962, regarding the problems of the generation and transmission of electrical energy throughout Canada (national power grid).

I draw Your Honour's attention to standing order 40 which reads as follows:

> Any return, report or other paper required to be laid before the house in accordance with any act of parliament or in pursuance of any resolution or standing order of this house may be deposited with the Clerk of the house on any sitting day, and such return, report or other paper shall be deemed for all purposes to have been presented to or laid before the house.

This correspondence was not laid before the house pursuant to a return. It was not a report or other paper required to be laid before the house in accordance with any act of parliament. It was something that was asked for and that could only be tabled, as I have heard Your Honour ask so often, by leave of the house in the proper way on the orders of the day.

Mr. McIlraith: Following the proper procedure.

Mr. Pickersgill: It seems to me that we should not become slipshod about the observance of the rules of the house. Moreover, sir, I think I have a question of privilege. I had asked the Prime Minister in a very courteous way—

Mr. Speaker: Order.

Mr. Pickersgill: —to have this correspondence made available.

Mr. Speaker: The hon. member is now adverting to an exchange which I suggest might be forgotten, as it does not raise a point of order. The point of order he raises is one that may properly be considered. I am advised by the Clerk that he took the responsibility of dealing with the documents in the way he did, exercising his discretion as to the category into which they fell. Apparently his view is not in accord with that of the hon. member, but that is the explanation of the treatment that the documents received.

Mr. Pickersgill: I would ask Your Honour to take the point under advisement.

Mr. Diefenbaker: Mr. Speaker, I think the simplest way out would be to withdraw them altogether, and that would satisfy the hon. gentleman. The day before yesterday I agreed

to do this and what I said is very clear. I said, as found on page 1923 of *Hansard*:

—I will have the matter looked into and if there are any such letters they will be made available tomorrow.

In my absence yesterday for part of the day the hon. gentleman raised the question, as found on page 1968 of *Hansard*. Because of my undertaking I filed the correspondence on my return. Trying to be courteous I now receive criticism from the hon. gentleman for it. I hope I will not do anything in the future that will allow him to speak of courtesy as discourtesy.

Mr. McIlraith: Just follow the rules and you will be in no trouble.

Mr. Diefenbaker: Will the hon. gentleman kindly maintain silence.

Mr. McIlraith: No. Such arrogance from the Prime Minister.

REQUEST FOR REPORT ON NATIONAL GRID CONFERENCE

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I wonder whether I could direct a question to the Prime Minister and hope he is in a position to give me an answer. As a result of the conference, which is most important to Canada, concerning the national power grid, with which I am in complete agreement, is the Prime Minister in a position to give this house any information as to what will transpire should one of the provinces remain outside?

Mr. Speaker: I rather think the hon. member's question is not one that is the responsibility of the federal administration, as it relates to the absence from the conference of one of the provinces. If the hon. member is seeking a general opinion as to the effect of the absence of that province, I think that is a matter that would be more appropriately one for debate rather than for orders of the day.

Mr. Winch: I am not approaching it from that position, Mr. Speaker. I go along with the proposal of the Prime Minister for a national power grid across Canada. I am asking whether he can give any information as to the effect of a middle province remaining outside of the grid.

Mr. Speaker: I believe what I have said is an appropriate answer to the question.

Inquiries of the Ministry

LABOUR CONDITIONS

SYDNEY MINES, N.S.—WORKING CONDITIONS OF FREIGHT HANDLERS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of Transport. Can the minister advise the house whether he has received any representation from Hugh Bushne, regional secretary of Sydney Mines, Princess local union U.M.W. protesting against conditions affecting employees of the Northside freight handlers' association which are termed as "nothing short of scandalous".

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I had not received this message before I left my office, but I will verify that with my staff.

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM—REQUEST FOR ROYAL COMMISSION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Prime Minister. Has the Prime Minister received a letter dated March 19 from His Worship the mayor of Trail, Mr. J. Palyga, stating that the city council urges that the federal and provincial governments establish a royal commission to explore all facets of the outbreaks of violence in the Kootenays attributed to a minority group? If so, could the Prime Minister inform the house whether he will give consideration to establishing this suggested royal commission, with a view to developing a policy which will provide for federal-provincial co-operation in the administration of a constructive and effective solution to this long standing problem?

Right Hon. J. G. Diefenbaker (Prime Minister): I have received a letter from the mayor dated March 19. In that letter he states:

My council has formulated a resolution regarding this situation which I shall be passing on to you, possibly tomorrow.

That resolution has not yet been received.

SONS OF FREEDOM—SUGGESTED SHARING OF LOSSES CAUSED BY TERRORISM

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to ask the Prime Minister another question on a strictly non-partisan basis. Has the Prime Minister received a letter from Mr. T. A. McRae, chairman of the Kootenay and boundary citizen's committee on Doukhobor-Canadian affairs, a committee representative of all parties and upon

which there are a number of respected and in some cases distinguished members of the Prime Minister's party, asking that, since the provincial and federal governments cannot agree on a plan to bring troops to the Kootenays, the federal and provincial governments share equally the financial losses of labour and management caused by acts of terrorism? If so, will the Prime Minister inform the house whether he is giving consideration to this request?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not had an opportunity yet to ascertain whether or not such a letter has been received. However, when it is an answer will be given to the hon. gentleman's question. I point out that in this question appear these words, "since the provincial and federal governments cannot agree on a plan to bring troops to the Kootenays". That statement does not represent the situation at all. The Canadian government can only make troops available provided there is compliance with the National Defence Act. We have expressed our views over and over again in letters to the mayor of Trail and to others indicating that we share the anxiety and concern over the outbreak of lawlessness on the part of the Sons of Freedom Doukhobors, and that when a request is made under the National Defence Act no delay will take place in providing the necessary troops requested by the attorney general.

Mr. Herridge: Mr. Speaker, I should like to explain to the Prime Minister that I was using the language of the release.

Mr. Speaker: Order. It is not necessary to explain questions after they have been answered.

DEFENCE PRODUCTION

CL-41—PROPOSED SUBSTITUTION OF ENGINE

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I wish to address a question to the Minister of Defence Production. Is the minister in a position to inform the house of the present situation arising from negotiations in which his department is concerned in relation to a possible change from a Pratt and Whitney engine to a C.G.E. engine to replace that formerly decided upon as suitable for the CL-41? If so, is a recommendation being prepared for the consideration of treasury board?

Hon. Raymond O'Hurley (Minister of Defence Production): The CL-41 jet trainer was equipped with a Pratt and Whitney engine. Bids were called for from the engine companies, and those bids have been forwarded to the Department of Defence Production where they are being studied at the present time; in fact there was a meeting this morning on the value and prices of the two engines. However, no decision has been reached, and no recommendation has been sent to treasury board to date.

Mr. Winch: A supplementary question. Could the minister inform the house when the recommendation is likely to be made to treasury board?

Mr. O'Hurley: As soon as the officials of treasury board, the Department of National Defence and the Department of Defence Production have finished their meetings and a proposition comes to my office, recommendations will be made to treasury board. I cannot say when that will be.

AGRICULTURE

DROUGHT CONDITIONS IN WEST—REQUEST FOR EMERGENCY CREDIT

On the order of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): I should like to direct a question to the Minister of Agriculture, or in his absence to his parliamentary secretary. Because of the serious losses incurred as a result of the drought last summer, is it the intention of the government to provide for emergency credit in order to help the western farmers put in the crop this spring?

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): These matters are under consideration.

(Translation):

[*Later:*]

Mr. Boulanger: Mr. Speaker, I have a further question to put to the Minister of Agriculture and in his absence, I shall direct it to his parliamentary secretary.

Does the government intend to put before the house, before dissolution of parliament, farm legislation concerning the urgent problem facing the dairy industry?

Hon. D. S. Harkness (Acting Minister of Agriculture): This matter, as the hon. member knows, has been the subject of a great deal of consultation with people in the dairy industry, and an announcement will be made in connection with it fairly soon.

UNEMPLOYMENT INSURANCE

REQUEST FOR NUMBER OF CLAIMANTS RECEIVING BENEFITS

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I wish to direct a question to the Minister of Labour arising out of an undertaking given by his parliamentary secretary, as reported at page 1937 of *Hansard*, with respect to the latest figures for the number of claimants receiving unemployment insurance benefits. Is the minister in a position to provide us with this information?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I shall be glad to provide the information if the hon. member would put that question on the order paper.

Mr. Deschatelets: On a point of order, Mr. Speaker, may I state that as reported at page 1937 of *Hansard* of March 19 the parliamentary secretary said:

> I do not have that information here but I will be glad to secure it for the hon. member.

The parliamentary secretary was replying to a question put to him by the hon. member for Bonavista-Twillingate. I believe we are entitled to that information.

Mr. Speaker: The minister has not suggested that he will not supply the information. He has indicated that it is statistical and that he would prefer to have the question in writing.

Hon. J. W. Pickersgill (Bonavista-Twillingate): On a question of privilege, Mr. Speaker, I think the minister himself misunderstood what happened, because he was not present at the time of the exchange. During the course of the consideration of the estimates the minister's parliamentary secretary undertook to make this information available. I do not think an hon. member should be asked, after that undertaking, to go to the trouble and inconvenience of putting a question on the order paper. I am sure the parliamentary secretary would be only too glad to supply the information.

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, on the question of privilege, that question was put to me and I assured the hon. member that I would obtain that information for him. There has been no suggestion here that I would not.

Mr. Deschatelets: Before dissolution?

Mr. Speaker: Order.

FINANCE

INQUIRY AS TO ESTABLISHMENT OF PEGGED RATE FOR DOLLAR

On the orders of the day:

Mr. John R. Matheson (Leeds): Mr. Speaker, I wish to direct a question to the Minister of Finance arising from an article appearing in the March 20, 1962 issue of the *Globe and Mail* entitled "Dollar in Wonderland". Is the minister giving any consideration to establishing a pegged rate?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I have answered questions on this subject with regularity at this session, I think every other day. There is nothing new to say or announce on this subject. The house has been kept well informed on the very striking success of the government's policy in relation to the external value of the Canadian dollar.

TRADE

EUROPEAN COMMON MARKET—CONFERENCE OF PRIME MINISTERS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Prime Minister. Is the Prime Minister in a position to inform the house with regard to any views or opinions he expressed at a meeting in Montreal as to the necessity of a conference of the prime ministers of the commonwealth nations relative to the entrance of the United Kingdom into the European common market? Is he in a position to give us any additional information beyond that contained in the press?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, what I stated was this, that the matter of the entry of the United Kingdom into the common market had such political and economic implications that before a final decision was made there should be a commonwealth prime ministers' conference. That view is one I hold very strongly, believing as I do in the strength of the commonwealth and its maintenance, and I hope that view will be shared by other members of the commonwealth.

Mr. Winch: A supplementary question. In view of the statement made yesterday by the Prime Minister in Montreal, has he been in recent communication with the United Kingdom requesting a conference of the commonwealth prime ministers?

Mr. Diefenbaker: Mr. Speaker, I would hope that the hon. gentleman would not press that question at this time. The desire

of the Canadian government is known, but the communications that pass between the prime ministers relative to questions that are under consideration are generally regarded as confidential until some decision is made thereon.

BUSINESS OF THE HOUSE

REQUEST FOR CONFERENCE OF PARTY LEADERS TO EXPEDITE PROCEEDINGS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to address a question to the Prime Minister, and I do so with all deference. In recent days and weeks there has been a great deal of stumbling and fumbling—

Mr. Speaker: Order. If the hon. member has a question will he please ask it, instead of delivering himself of observations about what has happened in the last few weeks.

Mr. Winch: It is because of what has happened in the past few weeks that I wish to direct a question to the Prime Minister. I wish to ask him whether through the house leader there could be negotiations and discussions with the leaders of all parties so that we can proceed with the business of the house without the problems and the loss of time that have taken place in the past few weeks. Would the Prime Minister agree to a meeting among the leader of the house, the Leader of the Opposition and our leader with respect to the business of parliament?

Right Hon. J. G. Diefenbaker (Prime Minister): I do not think any amount of consultation among those three would in any way solve the situation. After all—I am not speaking to the hon. gentleman, but to some members not too far removed—it is the hon. gentlemen directly opposite to whom that question might be directed.

EXTERNAL AFFAIRS

REQUEST FOR TABLING OF MINISTER'S SPEECH AT DISARMAMENT CONFERENCE

On the orders of the day:

Mr. R. J. McCleave (Halifax): I should like to direct a question to the Prime Minister. Would the right hon. gentleman consider making available to the house, as an appendix to *Hansard*, the very excellent speech of the Secretary of State for External Affairs given this week in Geneva?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that it was a very excellent speech I am sure members of the house without regard to party will agree. It has received very general approval. If the house is prepared to accept the suggestion of the hon. member I will be pleased to accede to his wishes.

Hon. L. B. Pearson (Leader of the Opposition): I think it would be a very good thing indeed to have this speech of the Secretary of State for External Affairs at the disarmament conference appear in *Hansard*.

Mr. Speaker: Is it agreed that this speech in question be printed as an appendix to *Hansard* today?

Some hon. Members: Agreed.

Mr. Speaker: I take it that a copy will be supplied by the Prime Minister.

[*Editor's note: For text of speech above referred to see appendix to* Hansard *for March 22, 1962.*]

INDUSTRY

NEW BRUNSWICK—PERMISSION TO PUMP OUT MINE SHAFT

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): May I direct a question to the Minister of Fisheries, who may take this question as notice if he is not prepared to reply. Can the minister advise the house if a decision has been reached by his department with regard to granting permission to Brunswick Mining and Smelting to proceed with the pumping of water from the mine shaft of the Brunswick mine, so this mining company can carry on with the operation of the mine?

Hon. J. A. MacLean (Minister of Fisheries): I will provide an answer for the hon. member as soon as possible.

SUPPLY

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

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

Administration services—

Departmental administration—

637. Administration, operation and maintenance—further amount required, $65,000.

Mr. Pickersgill: Before we begin a discussion of this item I should like to say, since this is the first time the new minister has appeared before the house with his estimates, that we will treat him with the customary courtesy accorded a new minister. I think, sir, it would greatly facilitate that treatment if the minister could, in accordance with the rules in committee, occupy one of the front benches where he would be relatively accessible to the members of the opposition who are most likely

to ask questions. Perhaps the minister could start by telling us why he needs this extra money so soon.

Mr. Flynn: Mr. Chairman, I wish to thank the hon. member for Bonavista-Twillingate for his kind words and the committee for its kind reception. This item, sir, is to cover the acquisition of common camping and field equipment required by all units of the department. This is required at this time because these estimates are connected with winter works, and they are to help with the winter works program.

If the house wants exact details, there is a sum of $24,000 to cover commonly used camp and field materials such as insecticides, batteries and other expendable items. There is another item of $21,000 to provide for the repair of commonly used field equipment such as outboard motors, canoes, radios and so on. The total of all items is $65,000.

Mr. Pickersgill: Perhaps the minister could tell us why repairs were needed. One can understand the need for new supplies, but surely the department could have anticipated how much they needed to spend on repairs. Were they especially hard on their equipment this past year?

Mr. Flynn: As I told the hon. member, the idea is to spend this money now to help with winter works.

(Translation):

Mr. Roberge: Mr. Chairman, I am not sure if the question I wish to put to the Minister of Mines and Technical Surveys (Mr. Flynn) is relevant to this item.

May I be permitted, incidentally, to congratulate my university colleague on his appointment at the head of this department.

I was told that, last summer or fall, teams from his department had made surveys in the constituency of Megantic and more particularly in the parish of St. Antoine de Pontbriand. The minister is perhaps in a position—assuming that the information I am now asking is relevant to this item—to tell me why those teams have been in my constituency, how long they have remained there and what has been the cost of the work they have carried out there.

Mr. Flynn: Mr. Chairman, I do not think the question asked by the hon. member for Megantic (Mr. Roberge) is relevant to any of the items under discussion. It is quite possible that teams from my department have worked in the constituency of Megantic. I do not know what they have done there, but I would gladly give him the information, if he so desires, either in writing or otherwise.

Mr. Roberge: I should be grateful to the minister if he would kindly ask his departmental officials to answer my question in writing.

(Text):

Mr. Pickersgill: I wonder if we could have a little more quiet in the committee so that those of us who are interested in the estimates can follow the discussion.

The Chairman: I think it would be appreciated by all if more quiet were observed so that everyone could hear the discussion that is taking place.

Shall vote 637 carry?

Item agreed to.

Canadian hydrographic service—

639. Construction or acquisition of buildings, works, land and equipment—further amount required, $50,000.

Mr. Pickersgill: May I ask the minister if any part of this vote is for the construction of vessels?

Mr. Flynn: Yes, this supplementary estimate is required to provide for the replacement of three sounding launches. Two will be constructed on the west coast and one on the east coast.

Item agreed to.

Geological survey of Canada—

640. Administration, operation and maintenance—further amount required, $75,000.

Mr. Pickersgill: I have a question I should like to ask on this item. Perhaps it will not be strictly relevant, and if it is not perhaps the minister could answer it later. Could he say whether the geological survey employs students in the summertime in connection with its activities, and if so how they are recruited?

Mr. Flynn: I do not know if that question comes under this vote, but I do know that my department employs students for survey parties during the summer. I understand most of them are recruited from the universities and are students who are studying geology and other sciences which are of some concern to my department.

Mr. Benidickson: This is a further amount required for geological surveys, and though the minister is new on the job I believe he will have had time to ascertain that in Ontario there is a large joint project in relation to aeroplane surveys in the vast area from the Manitoba boundary eastward into the riding of my friend the hon. member for Port Arthur. It was expected that as a result of that very great program, which I believe has been going on for two years, the minister's colleague, the minister of northern affairs, who

administers the vote with respect to roads to resources, would find that in co-operation with the provincial authorities it would be possible to decide upon the construction of a very important road running north and south.

Having regard to the fact that this program has gone on for a couple of years, it is my understanding that by now we should have had some assessment of its results by the department of mines. I know the minister of northern affairs will be coming before us very soon with some estimates for his department, and I thought it would be helpful to have knowledge of the results achieved.

Two months ago I wrote to my friend the provincial minister of mines, who comes from northwestern Ontario, and asked if he could give me information as to the particular section in which it was likely that this major north-south road would be built. He told me he thought he would be able to do so in the very near future but I have not heard from him, although I did note that another very important set of maps has been published. I believe it was on March 10 when this important geological physical set of maps was made available to the public who are interested in this program. Could the minister indicate to us what particularly outstanding conclusions have been arrived at so far as there aeroplane mapping surveys are concerned?

Mr. Flynn: I am afraid I would not be able to give the hon. member a complete answer to his question. As I understand it he is asking whether the program of aero-magnetic surveys which is being conducted jointly by my department and the provinces involves a certain area which he has described. I could not tell him that off hand, but I do know this program is continuing. In fact new agreements have been signed, and there is a three year program being organized presently with all the provinces, except possibly one. I would not be able to tell him whether there is any definite result in the area he has mentioned, but I can inquire and let him know at another time.

Item agreed to.

Dominion observatories—

Dominion observatory, Ottawa and field stations—

641. Construction or acquisition of buildings, works, land and equipment—further amount required, $60,450.

Mr. Pickersgill: Could the minister tell us what this is about?

Mr. Flynn: This supplementary is required as follows:

[Mr. Benidickson.]

1. $2,600 for the construction of a cement pier and instrument shed for testing a proposed new site for the observatory in Gatineau park.

2. $8,000 for the relocation of a road at the dominion radio astrophysical observatory, White Lake, B.C.

3. $21,000 odd for the purpose of 1,650 25 foot poles for the construction of an interferometer array which will expand the scientific facilities of the dominion radio astrophysical observatory.

4. $28,400 for the construction of a seismograph vault at Port Hardy, B.C.

Mr. Pickersgill: I am not blaming the minister for this, but if he will look at the detail as compared with the main item he will find it is exactly the same, and I think a lot of time would be saved if a lot more information were given in these details. Were that done we would not have to ask these questions.

Item agreed to.

General—

642. Polar continental shelf project—further amount required, $16,400.

Mr. Winch: Under this vote we are being asked to provide an additional amount of $16,400, and all the information we are given is "polar continental shelf project—further amount required." I maintain that although the amount is small the principle involved is one of the most important to come before the House of Commons. You will remember, Mr. Chairman, that just a few days ago I had a motion on the order paper relative to the continental shelf, its sovereignty and its jurisdiction, and I made certain proposals to try to resolve the difficulty over sovereignty and the collection of leases and royalties.

As matters stand at present it is my understanding that because the polar continental shelf is circumscribed by Yukon Territory, the Northwest Territories and Hudson bay, the federal government claims jurisdiction, and I think rightly so. It is due to the fact that the Yukon, the Northwest Territories and the Mackenzie area come only under the administration of councils—the Yukon council and the Northwest Territories council—that the federal government is claiming and taking jurisdiction.

Can the minister give us any indication what position the federal government will take in view of the possibility that the Yukon Territory and the Northwest Territories may become additional provinces in Canada, because that naturally leads into the entire question of sovereignty over the continental shelf? In addition to that, because of this

vote and this vote alone I would like to ask the minister what leases have been issued by his department for the exploration of gas, oil or otherwise on the Yukon-Northwest Territories continental shelf. Also, following the issuance of these leases is exploration taking place; and if so can the minister give the committee any report on the results of those explorations?

Therefore basically, Mr. Chairman, my questions resolve themselves into two major points. As this is a request for additional money for the polar continental shelf project, can the minister inform us, up to the latest information which he has, what leases have been issued by the federal government on the polar continental shelf project; what is the extent to which leases have been issued; what has been the result up to date of exploration under the leases issued and, I repeat, in view of the fact that the federal government has not yet reached agreement with the maritime provinces on the sovereignty of the continental shelf, is any consideration being given to the position of the federal government under its present authority assuming sovereignty over the polar continental shelf in the eventuality of the Yukon and Northwest Territories becoming provinces of Canada?

Mr. Flynn: Mr. Chairman, I would inform the hon. member that my department has no territorial jurisdiction, nor has it jurisdiction over the mines or other mineral resources. This polar continental shelf project is related only to the scientific investigation of the shelf.

With regard to the question of leases for oil or other minerals, this matter comes under the jurisdiction of my colleague, the Minister of Northern Affairs and National Resources. I am sure he has taken good note of the questions of the hon. member, which will have given him time to prepare the answers.

Mr. Winch: Then could I ask the minister this question. He has said that the vote we are being asked to approve concerns a scientific investigation. I imagine that means a photographic and geographic survey.

Mr. Flynn: It is an examination of the substructure of the polar shelf to see what resources may be under there; what is the composition of the shelf. It is not an air survey necessarily; it is also a testing of the soil, I understand, to determine what is under the polar shelf.

Mr. Winch: My understanding from what the minister has now said is this. We are now being asked to approve a very small amount of money, but the principle is very important. The minister's department is only interested in spending this money on scientific research?

Mr. Flynn: Yes.

Mr. Winch: Then whatever is found is turned over to the Minister of Northern Affairs and National Resources?

Mr. Flynn: This is correct, Mr. Chairman. In fact, this vote concerns only the erection of prefabricated buildings at the new base camp to be located at Mould Bay, Northwest Territories, and the installation of equipment in chartered aircraft.

I would repeat that my department has no territorial jurisdiction whatsoever over the Yukon or Northwest Territories or the polar shelf itself. Our job is merely scientific, collecting data which may be useful either to the department of my colleague, the Minister of Northern Affairs and National Resources, or to the provincial governments.

Mr. Winch: Could I ask the minister just one more question. In view of the fact that this is the polar continental shelf project, further amount required, may I ask him how far north into the Arctic circle his department's scientific investigations are going.

Mr. Flynn: Mr. Chairman, I am afraid I am not able to give an answer to my hon. friend right now, but I could ask my officials to prepare a reply on this question and forward it to him as soon as possible.

Mr. Winch: I asked that question because I am certain the minister and all hon. members have been very interested in reading, not only a number of newspaper reports but scientific reports on scientific investigations coming from the other side of the north pole down into what may be termed Canadian territory. Very well, I refer to the Russians coming down into this area. Only $16,400 is involved, but the principle is important. How far are we going in these scientific investigations? I gather that the minister does not know.

Mr. Flynn: The exact place we are at, geographically, I do not know; but if my memory serves me right there is some co-operation between Canada and Russia in this work.

Mr. Winch: The minister said there is some co-operation between Canada and Russia?

Mr. Flynn: Yes, there has been an exchange of data and information.

Mr. Winch: Thank you, sir; that is the very answer I was hoping I could finally arrive at, and now we have it. With regard to the scientific investigations in the most northern part of Canada, would the minister

now be prepared to tell us, in view of his statement, what is the scientific co-operation between the U.S.S.R. and Canada on the polar shelf? The minister said just now that there is some co-operation. Would he be good enough to give us some indication of what the co-operation is.

Mr. Flynn: Mr. Chairman, I do not think I could qualify what I have said about this co-operation. I would say that generally co-operation in the scientific field is excellent with all countries, and in this respect I think Russia is no different from any other country when it is concerned with very peaceful purposes such as the one we are pursuing.

Mr. Winch: I am sorry, apparently I misunderstood. Co-operation in connection with the geophysical year or anything else is one thing; but the minister has just said there is some co-operation between Canada and Russia on the northern part of our borders. Can he give any indication of what that co-operation is, on a scientific basis, on the continental shelf.

Mr. Flynn: Mr. Chairman, I have already told the hon. member that I am not in a position to go further than I have up to now. The hon. member appreciates that under this estimate we are not discussing this whole matter, because the principle was adopted when the main estimates were approved by the committee. I am not in a position at this time to go further than I have. I think it will be a proper question when the main estimates come before the committee or, as I suggested to the hon. member and if he agrees, I will have my officials prepare a written answer to his question and I will forward it to him as soon as I can.

The Chairman: Shall vote 642 carry?

Mr. Pickersgill: No, Mr. Chairman. The minister knows very well that in the absence of the hon. member for Laurier I could not possibly let this vote go by without at least a passing reference to an aircraft company named Autair, because the minister mentioned something about aircraft in explaining the item. Would the minister tell us whether there is any contract with this notorious company in connection with the work being done on the continental shelf.

Mr. Flynn: The only thing I can say is that I have no information that it has anything to do with the $16,400 mentioned in this item.

Mr. Pickersgill: The minister surely knows whether they have a contract. They might carry the materials to build this building. They might have something to do with it. Can the minister say whether they have a contract at the present time?

Mr. Flynn: Do you mean in a field other than the one governed by this item?

Mr. Pickersgill: In the continental shelf program.

Mr. Flynn: I do not know. I would have to check. I am not in a position to give an answer now. I think this question was fully discussed last year. Perhaps a re-reading of *Hansard* when the main estimates were discussed would provide an answer.

Mr. Pickersgill: That might well be. But before the item passes—I do not want to delay it—may I express the hope, since we have a new minister, that the new minister is not as much associated with the past as some other ministers may have been. If he has any contracts to let for air services in the north may we hope that proper, competitive tenders will be called and that all competing companies will be allowed to compete for the business.

Mr. Flynn: I will give an assurance to the hon. member that my department will always proceed in this respect on the basis most economic for the department. But I am sure he will not quarrel with me if I do not go further at this time, because the whole system of asking for tenders in this field is not as simple as in other departments.

Mr. Pickersgill: We have found that out already.

Mr. Winch: I have one further request for information. Does the polar continental project include any work within the boundaries of Hudson bay?

Mr. Flynn: I would say it was further north. My understanding is that the polar shelf is further north than the contour of Hudson bay.

Mr. Winch: I raise this question because I think it is rather important. Canada has a greater area of the continental shelf than the United States, if one includes Hudson bay. Can the minister tell us whether any provision is included here for a study of the continental shelf in the Hudson bay area itself, because as I recall it Hudson bay is on the polar shelf under the jurisdiction of the federal government.

Mr. Flynn: I would say no. I cannot guarantee that my answer is correct, but I would think that the polar shelf project here is related to an area which is further north than the Hudson bay area—Baffin island, and those areas. That is my understanding of the location of the work to be done

in connection with this project. This does not mean that my department does not conduct scientific investigations in the Hudson bay area. I would have to ask. But it would not be in connection with this specific project.

Mr. Carter: Is this a survey project?

Mr. Flynn: It is a scientific investigation and, as I told the committee earlier, I understand this is a study of the substructure of the soil of the shelf.

Mr. Carter: It is more of a boring operation.

Mr. Flynn: A boring operation, I think. Yes.

Mr. Winch: I think this is a most important matter, so I ask the question: what is the relationship between this polar continental shelf project, involving scientific examination, and the granting of leases by the Minister of Northern Affairs and National Resources in respect of experimentation and exploration on the polar shelf? What is the relation between this project for scientific exploration and the leases which have been issued to oil and gas companies extending over millions of acres?

Mr. Flynn: I think the hon. member's question would be more properly answered by my colleague. As I said before, we collect data relating to what may be in the ground—minerals and other resources. This information is made available to the public generally. When somebody wants to obtain an exploration permit his request is directed to the Department of Northern Affairs and National Resources. For this reason I think the question asked by the hon. member for Vancouver East would be better answered by my colleague.

Mr. Winch: Am I in order, then, in asking on this vote, which is a vote in connection with a scientific project on the polar continental shelf, whether the Minister of Northern Affairs and National Resources can tell us about the nature of the tie-in between the leases which are issued by his department and the scientific projects of the Ministry of Mines and Technical Surveys?

The Chairman: I think the minister has already given an answer. He has gone as far as he can in dealing with the matters under his own jurisdiction.

Mr. Winch: So I cannot ask the Minister of Northern Affairs and National Resources to deal further with the question I have raised.

The Chairman: I think that would not be in order.

Mr. Carter: If this is a boring operation is it intended solely to obtain scientific knowledge of what is beneath the surface, or is it being carried out for commercial purposes?

Mr. Flynn: Would the hon. member clarify his use of the word "commercial".

Mr. Carter: I am trying to find out what the purpose of this project is. We are carrying out some borings on the polar shelf and I just want to find out whether we are doing this simply to accumulate scientific knowledge or whether we are trying to get knowledge that we can pass on for commercial exploitation later.

Mr. Flynn: The investigations are for general purposes. Of course, if they have any value for commercial purposes the information would eventually be used in this sense. The immediate purpose is to gather scientific data. When we know what is there, we may decide what to do with it. Eventually, maybe, there will be a commercial interest.

Mr. Winch: I intend to ask one more question. Can the minister tell us how far one must go up the coast before coming to what is called the polar continental shelf? Does this scientific investigation in any way include areas on the coast of Labrador?

Mr. Flynn: As I told the hon. member previously, I do not think this project will affect in any way the territory of the province of Quebec or of the province of Newfoundland. I would say it is on the islands north of the continental mainland.

Item agreed to.

B—Dominion coal board—

643. Payments in connection with movements of coal under conditions prescribed by the governor in council—further amount required, $4,800,000.

Mr. Robichaud: This is an item of $4,800,000 to provide for payments in connection with the movement of coal under conditions prescribed by the governor in council. Can the minister tell us how many tons of coal would be involved in connection with these payments and where the coal would be moved. Would it be moved to Ontario?

Mr. Flynn: The dominion coal board has requested the provision of $4,800,000 in the form of a supplementary estimate as follows: provision of an additional $1,928,000 to cover an increase in the estimated cost of moving Nova Scotia coal to market under the provisions of order in council PC 1961/484.

When the original estimate was made in late 1960, there was no reason to believe that the electric power situation in Ontario would require substantial operation of the thermal plants of the Ontario hydro. Early

in the year, however, hydro came into the market for coal and placed a contract with Nova Scotia producers for 200,000 tons. This coal has been delivered during this fiscal year and assistance claimed under the provisions of the order quoted above. As I said, this additional movement has required the expenditure of $1,978,000.

Second, there is provision of $1,900,000 under authority of orders in council 1961-18 and 1961-762. This amount is the sum needed to provide for the losses incurred by the Dominion Coal Company and associated companies in maintaining three coal mines in operation beyond the time ordinarily required for closure. The extra expense arises out of the fact that the market could only take a certain amount of coal and to reduce the output to this figure required short time operation of all mines. Short time operation is expensive as all fixed charges continue without any financial return.

On January 9, 1961, my predecessor, the Hon. Mr. Comtois and the Minister of National Revenue issued a joint statement to the press, parliament being then not in session, advising that an agreement had been made to retain the following in operation: No. 4 colliery until May 31, 1961; Florence colliery until July 1, 1961; No. 16 colliery until August 12, 1961. Order in council P.C. 1961-18 was passed to authorize payment of assistance.

On May 10, 1961, Hon. Mr. Comtois made a further statement in parliament advising that the situation had deteriorated and that to prevent widespread unemployment it had been decided to provide assistance to maintain No. 16 colliery in operation until August 12, 1962. Order in council P.C. 1961-762 was passed to authorize this assistance. The sum of $1,900,000 is to cover the payments by the federal government during the fiscal year for this purpose.

Third, provision of an additional $900,000 to cover an increase in the amount of coking coal shipped for export to Japan under provision of order in council P.C. 1961-487. The original estimate of the amount of coal moving under this order was 500,000 tons. It later developed that this could be increased to 700,000 tons and authority granted to approve the increase. The 200,000 additional tons at $4.50 per ton make up the $900,000 requested.

Mr. Robichaud: Mr. Chairman, I wish to thank the minister for the information he has given the committee on this item. I do not wish under this item to engage in a debate on all the problems of the coal industry but this is the first occasion on which we have had the opportunity to secure information from the minister on the actions expected to be taken by the government to prevent the closure of colliery No. 16, which is supposed to take place on August 12 as the minister has mentioned earlier.

The committee knows that after two years in office this government, not being able to find a solution to the problems of the coal industry, decided to appoint a royal commission. This commission known as the Rand commission made public its report in September, 1960. Realizing that it was a controversial report and that it was not acceptable to all phases of the industry the former minister of mines and technical surveys and the government decided to submit this report to an interdepartmental committee. I recall the words of the former minister when this report was passed to the interdepartmental committee when he said it had clear and definite instructions to study and prepare recommendations. We have waited a long time for the recommendations of the interdepartmental committee.

We are now aware that the government has had a report from the committee, and according to the commitment made to this house by the former minister I feel we have the right to ask the present minister to make known the recommendations of the interdepartmental committee.

I understand that earlier this session the house turned down a request to table this report but in view of the commitment made to this house by the former minister to make known the recommendations of the interdepartmental committee I believe this is a proper item to request this information and it is the first occasion the present minister has had to inform the house as to what those recommendations are. If those recommendations are acceptable parliament then will be in a position to study the matter and make its decision accordingly.

Mr. Brunsden: Mr. Chairman, on a point of order, are we discussing a budget item, a supplementary estimate or some previous political history which is of interest only to my hon. friend?

Mr. Robichaud: On the point of order, Mr. Chairman, we are discussing an item of $4,800,000 to cover further payments for the movement of coal from Nova Scotia to other centres in Canada. I am not against it and never have been against it, but I feel in view of the large amount involved this committee has a right to know whether the department has other plans for the coal industry. We realize that the government is paying large amounts in the form of subsidies to keep the coal industry going but this is only a temporary measure. This is not a measure which

gives satisfaction to the industry or which will provide it with an opportunity of becoming established on a permanent basis.

I feel we have a right to know from the minister what are the plans of the government. When I asked a question some time ago as to a report on the meeting held in Ottawa among representatives of the Nova Scotia government and the coal industry and representatives of the federal government the minister said, and I paraphrase only one sentence, "needless to say the government will consider these views in a most sympathetic manner and a decision will be taken as soon as possible."

I ask the minister now whether a decision has been taken and whether the decision that has been or will be taken is in line with the recommendation of the interdepartmental committee which was established for the very purpose of informing the government what should be done for the potential of the coal industry.

Mr. Flynn: Mr. Chairman, I believe that the hon. member for Gloucester has put together two problems and covered them with only one question. He has raised the problem of the general policy on coal and the problem of the closing of No. 16 colliery.

As to No. 16 colliery, I suppose the hon. member has the answer I gave him the other day to the effect that when a decision is taken by the government in connection with this special problem, which one should dissociate from the general problem of the Nova Scotia coal industry, an announcement will be made in due course.

As far as the general policy governing coal is concerned the hon. member knows what the present policy is. He has underlined the fact that we have the Rand report and that an interdepartmental committee has studied the conclusions of the Rand report. The hon. gentleman realizes that I am not in a position to tell him what are the recommendations of the interdepartmental committee. However, I can give him my assurance that the government is considering the whole problem and that it hopes to be able to make an announcement about general policy—I am not speaking with respect to No. 16 colliery but with respect to general policy—as soon as possible.

Mr. Woolliams: Mr. Chairman, I cannot let this item pass without first of all congratulating the new minister and also thanking him on behalf of the united mine workers of America, particularly in the Canmore area where the miners have had many thousands of hours of work since 1957 as a result of the shipment of coal from that area in the Crowsnest pass in Alberta to the new market in Japan. When the minister was giving the details on item 643 I noticed that he mentioned that arrangements have now been made for the purchase of a further 500,000 to 700,000 tons of coal.

Through the minister I also wish to express my appreciation to the members of the coal board. I also wish to thank the members of his department and of the Department of Trade and Commerce for making it possible to provide many hours of work in the Canmore area and other places in the Crowsnest pass.

I do not want to say any more because I do not wish to delay the estimates. However, I wish to express appreciation to the minister and the departments concerned on behalf of the members of the united mine workers at Drumheller who do not enjoy the Japanese market but who now have another opportunity through another enterprise that will provide them with a million dollar annual payroll. In the market for soft coal there is quite severe competition with petroleum and natural gas. Once again I wish to congratulate the minister and to ask him to thank the members of the coal board and his officers for making full employment possible in some areas of Bow River.

Mr. Carter: Mr. Chairman, the minister has told us that the purpose of this item is to prevent the lay-off of miners in a colliery in Nova Scotia. Is consideration being given to providing similar assistance to prevent the lay-off of miners at Bell island?

Mr. Flynn: Mr. Chairman, I doubt very much that the question of the hon. member has anything to do with the item under discussion, but if I may repeat what I said the other day, the Solicitor General, the Minister of Labour and myself received a delegation from Bell island for the purpose of discussing their problems. I may say that discussions are continuing in a search for any possible help and the utmost sympathy is being shown with regard to this very serious problem.

Mr. Carter: I have one more question. Has the government made any study of the feasibility of matching the coal from Nova Scotia with the iron ore at Bell island to make a smelter possible?

Mr. Flynn: I might answer yes. Every possible solution has been examined, but I am not in a position to report any conclusion to the hon. member.

Mr. Smith (Lincoln): Mr. Chairman, I should like to ask a question of the minister which I think is relevant at this time. I understand that a machine has been developed and constructed by the Foster Wheeler Company of Canada to experiment with new

methods of burning Nova Scotia coal and recovering the by-products from the ash. I understand that Nova Scotia coal has a very high content of ash and sulphur and that this machine has been developed by the Department of Mines and Technical Surveys to experiment with it and has now been installed, I believe, in a building in Ottawa. I should like to ask the minister whether it has been put into operation yet. Perhaps he is not aware of it. If not, perhaps he will take my question as notice and write to me about the matter. Before I resume my seat I should like to congratulate the new minister. I am sure he will be a great asset to our cabinet.

Mr. Flynn: Mr. Chairman, I want to thank the hon. member for his kindness. I know that my department is constantly preoccupied with new methods of using coal and also the examination of inventions which might result in using more coal, but I am not aware of the specific experiment to which the hon. member has referred. I will be very happy to have my officials prepare information for him about it.

Mr. Fisher: Mr. Chairman, I have a couple of very brief questions I should like to ask the minister. We have all followed his introduction to this department with interest. I may say that I think those who were associated with him as I was on a trip we shared some months ago found him a most charming companion and good host, and I am very pleased to see him elevated to the ministry.

I know, of course, that he comes from Quebec and is very much interested in any developments that take place there. For that reason I am prepared to ask him some questions about the Sulphur Converting Corporation and the plan that must exist within that company to use coal of various kinds. Specifically, was the minister approached by the officials of Sulphur Converting Corporation or was the dominion coal board approached with a view to using Nova Scotia coal at the project being considered by the company near Quebec city? Have tests been carried out in relation to this project that would indicate that Nova Scotia coal rather than United States coal would be suitable for the particular process planned by Sulphur Converting Corporation?

I see the minister shaking his head. I have been trying to follow in the Quebec press as well as I can the trials, tribulations, difficulties, statements, beliefs and opinions of Mr. Leclerc, and it certainly seems to me that a person who has ranged as widely as Mr. Leclerc has must have gone into the matter of the coal supply for this steel mill. For that reason I would appreciate it if the minister would let us know what relationships he or the dominion coal board, for which he is responsible, may have had with this particular company.

The other question I should like to ask also relates to Nova Scotia coal and involves the Welland canal and the tolls that are charged for using it. Has the coal board carried out a study to indicate what effect the Welland canal tolls have in making it the barrier that keeps Nova Scotia coal from reaching the lakehead and being used in the thermal plant there that has been established by Ontario hydro? I understand that this expenditure now under consideration is for the movement of coal. We approve of these payments very much, of course and, despite some unkind things the hon. member for Cape Breton South may have said about members of this party, whether or not he is aware of it we did support his attempts in the last 18 months to get Ontario hydro to take a more open approach to the use of Nova Scotia coal in the thermal plants in Ontario. If at all possible we would like to know whether this coal might not move all the way to the head of the lakes, especially under some kind of ballast arrangement. As the minister may know, a tremendous number of ships that go to the lakehead to load grain proceed there in ballast.

I gather that very recently some consideration has been given in relation to the St. Lawrence seaway to the effect that foreign ships coming in will be allowed to carry certain kinds of cargo as ballast without paying the normal duties. This indicated to me the possibility that ocean shipping moving up into the lakehead for grain may be persuaded, as a special arrangement, to move Nova Scotia coal up as some kind of ballast. This coal could be made available to thermal stations at the lakehead or the other places where coal is used. This plan may be fantastic, but it might be worth considering.

The other question I should like to ask the minister relates to the consideration, if any, that has been given to providing assistance to Saskatchewan lignite in order to move it into markets farther to the east than it has reached at the moment. As I understand it, because of the low cost of this coal, it is able to compete with the higher grades of coal, provided the transportation charges are not too high. I gather that the normal eastern fringe of its penetration, in a market sense, is around Winnipeg. Actually there have been tests carried out in paper mills east of Winnipeg and in northwestern Ontario. I wonder if any consideration is being given at the moment to extending the market for this particular fuel?

I am also primed to raise this question because of the discussion in Saskatchewan to the effect there is such a tremendous supply of lignite it could fit into thermal operations and would provide power for the national grid. Since this kind of long term projection is something that the Prime Minister and the government is preoccupied with at the moment, it would be interesting to hear how the dominion coal board may feel about Saskatchewan lignite as a power supply for thermal units for this projected national grid.

My questions, therefore, are concerned with the Sulphur Converting Corporation and its relationship to the dominion coal board and the minister; the question of Welland canal tolls and other arrangements that might be made to make Nova Scotia coal a deeper penetrator into the Ontario market, and the matter of lignite in Saskatchewan.

Mr. Flynn: In so far as the Sulphur Converting Corporation is concerned, Mr. Chairman—I do not know if that is the correct name—I can tell the hon. member for Port Arthur that neither my department nor the dominion coal board has been consulted or had anything to do with the project. The only connection the government had with the project was as pointed out by the Minister of Transport, to refer the company to the Canadian National and the national harbours board. So far as my department is concerned, the company has not consulted us at all in connection with the use of coal in this project. Now, I do not want to say anything else for fear I would seem to be giving approval to the soundness of the project. I do not know more than that. I have come too near to burning my fingers, and I do not want to try it again.

In so far as moving Nova Scotia coal to western Ontario is concerned, I am not able to give any specific answer to the hon. member. I may add, however, that Mr. Justice Rand expressed the view that the maintenance of a market in Ontario and Quebec should not be considered as something to be looked at for a very long period of years. However, I do not want the committee to draw any conclusion from that. I just want to indicate to the hon. member that it seems to me it would have been difficult for the dominion coal board to consider moving Nova Scotia coal even farther west than it goes at the moment.

The suggestion of the hon. member to ship coal by these ocean going vessels coming in ballast can be looked into. However, I am not too hopeful it would prove feasible. In so far as the Saskatchewan lignite is concerned, I may say that I have no knowledge that the dominion coal board or my department have made any study of its use along the lines suggested.

Mr. Pickersgill: I should like to ask the minister if any part of this vote, either the additional sum or the original sum is used for subventions on coal within the maritime provinces, apart from those subsidies that are paid on coal for power purposes. In other words, are there any subventions paid for coal within the maritime provinces for any other purpose, and if so how much of the total item would it be?

Mr. Flynn: The answer is that the amounts which are used under the authority of orders in council 1961-18 and 1961-762, in connection with the maintenance and operation of No. 4 colliery, Florence colliery and No. 1 colliery which is scheduled to close on August 12, 1962, are payments made for coal used in the maritimes.

Mr. Pickersgill: It has nothing to do with the transportation of it?

Mr. Flynn: It has nothing to do with the movement of coal.

Mr. Pickersgill: Outside of these, what amounts are paid for moving coal from Nova Scotia to markets in Quebec and Ontario?

Mr. Flynn: As the hon. member knows the present policy is one of assisting the movement of coal to these Ontario and Quebec markets as I have indicated.

Mr. Pickersgill: There are also some subsidies paid, and this may not be done by the minister's department but by this crown company, in connection with the power program which is under his colleague. They are not in the minister's department?

Mr. Flynn: Oh, no.

Mr. Pickersgill: The point I am trying to get out is that the dominion coal board pays no subventions on the movement of coal within the maritime provinces?

Mr. Flynn: No.

Mr. Pickersgill: I just wanted to be quite clear about that because that is not an answer we could ever get clearly from the minister's predecessor. It is rather interesting, you know, to read that in connection with something that was said on May 2, 1957 at Amherst, Nova Scotia by the present head of the government. At that time he said that the subventions on coal mentioned by the federal government are nothing more than subsidies which Nova Scotians already have to compete with the central provinces. The present Prime Minister went on to say, and I quote:

"What we want", he asserted, "is coal subventions within the province."

This statement is taken from the Halifax *Chronicle-Herald* of May 3, 1957, and that is nearly five years ago. I am just wondering if the minister could indicate when that promise of the Prime Minister's is going to be carried out, and whether any part of the money to be voted in this fiscal year would be used to carry out that five year old promise, that what we want is coal subventions within the province.

Mr. MacEwan: I listened with interest to the remarks of the hon. member for Bonavista-Twillingate and I noted he was back on the old story from the red book. The Prime Minister was in New Glasgow, Nova Scotia, not long after that and he stated in the presence of myself and the new premier of Nova Scotia something to this effect: "You asked for subventions in the maritime provinces for power users, and you will have those subventions." Regardless of what the hon. member said, he mentioned the Atlantic Provinces Power Development Act under which subventions are paid to industrial users who use power which is generated by coal. I would point out that this was brought forward by this government.

He may not think it means very much but I would tell him it means a great deal in my area. I put this on record in *Hansard* when a private member—I think it was the hon. member for Timiskaming—brought forward a private member's motion which suggested the national power grid. Certainly there are two mines in my area which are very much dependant on power produced in the Trenton thermo power plant, and subventions, are paid under the Atlantic Provinces Power Development Act to industrial users. Also under the act various transmission lines were constructed within the provinces of Nova Scotia and New Brunswick and power has been sent over them from the plant in my area. This indeed has helped very much to assist the production of coal in the three mines in my area, Greenwood, Drummond and part of the production in the McBean seam.

These are the only three mines left in my area after the manner in which the former government did not assist the other mines which closed up during the 1950's. I know that the hon. member in speaking on this provision has said the Prime Minister referred to coal subventions within the province of Nova Scotia, within the maritimes, but that is merely a play on words by him.

Indeed at the meeting which the delegation from Cape Breton attended not so long ago various things were brought forward which were projected by the hon. member for Cape Breton South, the hon. member for Cape Breton North and Victoria, the hon. member for Inverness-Richmond, and others, including myself. There are a lot of things that could come forward and I am sure the government will give consideration to the subventions that could be paid to certain industrial plants which perhaps use their own power or use other types of fuel at the present time. I know consideration is being given to that by the federal government. Coal subvention in the maritimes is merely a play on words by the hon. member.

Mr. Pickersgill: I thank the hon. member, whom I might describe as unpaid parliamentary secretary, for his intervention on behalf of the minister. I may say the last thing I want to do—

Mr. MacEwan: I am just looking after my constituency. I am not looking for any glamour at all.

Mr. Pickersgill: We have what the hon. member publicized in 1957 and we would be glad to exhibit it to the house.

Mr. MacEwan: I am waiting for you, don't worry.

Mr. Pickersgill: The hon. gentleman does not boast about the manner—

Mr. MacEwan: I never boast about anything.

Mr. Pickersgill: I listened very attentively to what the hon. member had to say, and as he has always been a courteous member I am sure he will listen attentively to me. The last thing I want to do is disparage in any way the excellent program for the development of power in the maritime provinces, which was announced in Mr. Harris' budget speech in the spring of 1957 and was accepted in principle by the present premier of Nova Scotia and by the former premier of New Brunswick immediately after that budget was brought forward, and which was under discussion with these governments before the Diefenbaker government ever came into office.

We think that was a good program, although we do not think it was carried on as well as it might have been. We are glad it kept three mines open in the hon. gentleman's constituency, and he ought to be very grateful to Mr. Harris, Mr. Lesage and Mr. St. Laurent for what they did at that time. However I am talking about something else that the Prime Minister promised. The hon. gentleman said it was a play on words—

An hon. Member: On your part.

Mr. Pickersgill: It was a play on words no doubt on the part of the hon. gentleman's leader. He is a great one for playing on words as we all know. I have another quotation and I shall quote the Prime Minister's words as reported in the Saint John *Telegraph-Journal*

of June 3, 1957, in what the Prime Minister now calls the servile press, although he did not call them that in those days.

Speaking on maritime issues in the coal mining district of Minto, N.B., Mr. Diefenbaker said that—

—the Liberal government is not taking action to help the coal industry. There should be federal treasury aid towards the cost of freighting coal within the maritimes.

It is interesting to note that there is nothing there about subventions to power plants. That was five years ago and now I ask the minister who is in charge of the dominion coal board, is there any likelihood of that promise being kept before March 31, 1962?

Mr. Winch: I am not interested in any snarling between Liberals and Conservatives. I am not interested in any past red books or white papers. My interest is in this vote which has to deal with the matter of coal in Canada. I realize, as we all do, that the present minister has only been in his high office for a short period of time but he is the minister now in charge of technical surveys and coal. For that reason I ask him whether any action is being taken by himself or in his department to establish a national coal policy for Canada. The time is long past when that should have been done.

From Nova Scotia to British Columbia we have perhaps what I would describe as the greatest resources of coal anywhere in the world. We have all grades of coal from lignite to bituminous and anthracite. In other words, we have everything from soft coal to steam coal, but we are in the extraordinary situation that the Canadian taxpayers have to spend millions and millions of dollars a year on subsidizing the various aspects of the coal industry, either directly or by freight subsidies. To me that seems positively stupid because, as I say, we have all kinds of coal from lignite to anthracite, and in British Columbia we have billions of tons of anthracite which have never yet been opened up and developed. Yet we import millions of tons of coal each year from south of the border.

We import it right into Nova Scotia where we have our lignite coal mines. Ontario hydro imports it into Ontario, and we cannot do anything about that because it is a provincial matter. Polymer, a federally owned crown company, imports its coal from the United States.

Mr. Woolliams: I wonder if the hon. member would answer a question? I think what he is saying does not hold true in regard to sub-bituminous coal and soft domestic coal. There is sub-bituminous coal in Alberta which is being exported at the moment.

Mr. Winch: My hon. friend is very fortunate in his own particular riding, and thereabouts, in that they are now able to export their coal to Japan.

Mr. Woolliams: That is right.

Mr. Winch: It is the lignite; it is the soft coal.

Mr. Woolliams: It is the sub-bituminous.

Mr. Winch: I say we import millions of tons of coal into Canada. The federal government pays out millions of dollars annually to support the coal industry. If we take the situation as it exists across Canada, we have every type of coal that is known and which could be required. Surely we now need a national coal policy. That is all I ask.

Has the minister yet had time to give consideration to the entire coal situation from Nova Scotia to British Columbia with regard to imports and exports; and if not, is it a matter that the minister has under very serious consideration?

Mr. Herridge: Mr. Chairman, first of all I want to congratulate the minister on the appointment to his present portfolio and wish him well in all he undertakes for the general advantage of our country. That is a safe statement.

From 1945 or 1946 up to about 1955 this house was informed from time to time of experiments in connection with a gas turbine, the purpose of which was to utilize large quantities of our coal. From time to time we were given glowing accounts of near success. I remember listening very carefully on a number of occasions to the reports on these experiments. Since 1955 there has been a sort of gap of silence and we have heard very little about this gas turbine and the experiments in relation thereto.

I mention this matter because the experiments were being conducted with a view to using coal, I think on locomotives, other engines and things of that sort. Is the minister in a position to bring the committee up to date on the latest developments and what progress is being made, or have the experiments been discontinued?

Mr. Flynn: Mr. Chairman, I am afraid I am not in a position to give an answer to the hon. member on these specific experiments. I have been informed that they have been discontinued, but I would rather check on this before giving him a definite answer. I could send him a letter on this matter. I am afraid I cannot say any more at the present time.

Mr. Robichaud: Mr. Chairman, I have only one question I should like to ask the minister before this item is passed. Could the minister

advise the committee whether his department or the dominion coal board have been in communication with the governments of the provinces of New Brunswick and Nova Scotia for the purpose of establishing large turbo generating plants at the pithead; and if such communication has taken place, has any consideration been given to proceeding with these plants?

Mr. Flynn: I do not know of any recent communication. Since my appointment I have not received any request of the kind mentioned by the hon. member. I do not know whether there was any such request before my appointment or whether it is under consideration, but since my appointment no such request has been received.

Mr. Robichaud: The minister is aware that just recently the New Brunswick electric power commission decided to proceed with the construction of a thermal plant at Grand Lake, which will use at least 100,000 tons of coal a year. I think a good portion of the money that is now being spent on subsidies and grants would be spent much more profitably if it went to subsidizing the cost of electric power generated from coal in large generating plants at the pitheads. This would serve two purposes: it would absorb substantial quantities of coal and at the same time it would provide cheap power for new and existing industries in the Atlantic provinces.

Mr. Flynn: I would be pleased to ask the officials of the dominion coal board to consider the proposal of the hon. member. With regard to the gas turbine experiments—referring to the question asked by the hon. member for Kootenay West—I am told that a complete report was published about a year ago and is available for general use. The conclusion was that the suggestion was not practical. I could probably obtain a copy of this report for the hon. member.

Mr. Herridge: Thank you.

Mr. Winch: Mr. Chairman, I wish to ask one further question. I realize that we are not permitted to ask for information on what took place during an in camera meeting in connection with grid power. However, as we are discussing the matter of coal I would like to ask the minister whether because of his knowledge on a grid system he knows if any consideration is being given to this question. In the province of Saskatchewan—and I think I am safe in saying, in the province of Alberta also—there is enough lignite coal, if used for the production of power, to produce such a terrific horsepower that it could be tied into a grid system at approximately a rate of 2.7 to three mills for over 100 years. This is with the known resources of lignite coal in Saskatchewan and Alberta. Under this vote could I ask the minister whether that is in accordance with his knowledge, and whether it is being given any consideration in the matter of a power grid in Canada.

Mr. Flynn: Mr. Chairman, under this vote I do not think the hon. member should ask me this question, but I am willing to ask for a report as to whether it has been considered. I am not aware that it has been specifically considered by my department.

Mr. Winch: Then I understand, sir, that if there is any report on the utilization of the lignite coal of Alberta and Saskatchewan for the production of power, the minister will make it available; and if not, the minister will have a study made of it?

Mr. Flynn: Mr. Chairman, I did not say that I would have a study made of it. I said that if a study has been made, I will let the hon. member know what are the conclusions. However, I think the hon. member will agree with me that the difficulties in connection with coal in Canada are centred in Nova Scotia and New Brunswick, mainly in Nova Scotia. I do not know of any specific problem in Saskatchewan. I would suggest that the use of coal in Saskatchewan would be a problem for the provincial government at this time. It may be that my department has examined the question which the hon. member has raised. If it has, I will be very pleased to let him know the conclusions that have been reached.

Mr. Winch: The estimates of the minister were referred to a few days ago and they could not be dealt with because he was attending the conference on the question of a national power grid. The question of coal is an important one. It covers this country from Nova Scotia to British Columbia, but it definitely ties in with coal of lignite nature in Saskatchewan and Alberta. My information is that millions of electrical horsepower are available by the utilization of lignite coal, for less than four mills.

Mr. Flynn: Mr. Chairman, I am not denying that the hon. member may be right. I would simply say that my understanding of the examination of the feasibility of a power grid was related to hydro resources. Perhaps in part this power could be provided by lignite coal, as suggested by the hon. member, but at the present time I am under the impression that the conference is considering the available hydro resources for the purposes of a national grid.

Mr. Winch: I am sorry. The minister has just said apparently, that the development of the grid power circuit is only to be based

on hydro. It is not to be based on the capabilities, whether hydro or thermal—

Mr. Flynn: If the hon. member would allow me to interrupt him, I said this was my understanding now. Maybe he should keep his question for the Minister of Northern Affairs and National Resources whose estimates are to follow mine and who is more directly concerned with this question. My department, as I pointed out, would probably make a study of a question like the one raised by the hon. member, but it would not establish policy with regard to a power grid.

Mr. Southam: First, I should like to join with those of my colleagues who have extended congratulations to the Minister of Mines and Technical Surveys on his appointment to his present high office. I have listened with a great deal of interest this afternoon to the discussion of these items so far as it relates to coal.

I should like to draw the attention of the committee to the fact that approximately 20 per cent of the coal in Canada is situated in the riding of Moose Mountain. Naturally, I have been interested in the comments which have been made. I feel that this recent conference between the federal government and the provinces with respect to a national power grid will be of great interest to the people of my riding. It has been pointed out this afternoon that the provincial governments have the primary responsibility for such an undertaking, but it is also our responsibility as a federal government, I think, to do everything we can to assist the coal industry. The lignite coal in my riding is already being developed for use in thermal generating plants and I think our provincial government has stated, in the course of the discussions of the last day or two, that it is willing to co-operate in a national power grid system.

I should like, now, to make a few brief remarks which, I agree, may not be entirely in order on this item. Nevertheless, if I could have the ear of the Chair, I would point out that the lignite coal industry is having a real problem in competing with other fuels, such as gas and oil, in my riding. The industry is doing its utmost to compete, and in the last few years there have been conversions from the old method of pit mining to surface mining, and new machinery has been brought in to make this change possible. In fact, one of the largest drag lines on the North American continent, called "Mr. Climax" is now working in Moose Mountain. As further assistance to subventions, it has been suggested that we might possibly have an amendment to the Coal Production Assistance Act so that when people in the lignite industry take advantage of this act and borrow certain sums of money, they would find the terms more favourable than they are at the present time. The act should be amended so that the present repayment on the basis of 30 cents a ton on wholesale costs at the pithead could be reduced to 10 cents, a figure which would be more realistic. I think this is a logical suggestion. Hard coal is worth roughly between $10 and $12 at the pithead while the lignite coal which is being mined in Moose Mountain is worth approximately $2 per ton. Therefore, repayment of a loan at the rate of 30 cents a ton under the Coal Production Assistance Act is really out of proportion and a figure of 10 cents a ton would be far more realistic.

I just thought I would like to bring that to the attention of the minister because there is no doubt that within his department there will be a discussion about the development of a national coal policy. I think the suggestion I have made should be given serious consideration in connection with such a policy.

Item agreed to.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

National parks branch—

National parks and historic sites and monuments—

648. Construction or acquisition of buildings, works, land and equipment—further amount required, $2,500,000.

Mr. Robichaud: Can the minister give us the distribution of this fund of $2.5 million which I understand will be used mostly in the national parks? Can the hon. gentleman give the names of the parks and the amounts of money spent in each?

Mr. Dinsdale: The item before the committee is concerned entirely with the winter works projects on historic sites and in national parks. I shall be happy to answer the question asked by the hon. member if he will be satisfied with a general breakdown rather than a detailed breakdown. The amount to be spent on historic sites is $160,700. The further amounts to be spent on the parks themselves are as follows:

National parks trunk highways	$ 64,000
Banff park	290,700
Cape Breton Highlands park	218,500
Elk Island park	78,500
Fundy park	66,000
Jasper park	164,500
Kootenay park	183,500
Mount Revelstoke and Glacier parks	144,500
Point Pelee park	40,200
Prince Albert park	249,200
Prince Edward Island park	102,500
Riding Mountain park	320,000
St. Lawrence Islands park	4,000

Terra Nova park	198,000
Waterton Lakes park	92,000
Yoho park	123,200

Mr. Robichaud: Did I understand the minister to say that $249,000 were being spent at Prince Albert park?

Mr. Dinsdale: Yes, $249,200.

Mr. Robichaud: That is the largest amount being spent anywhere in Canada.

Mr. Dinsdale: No, that is not correct. More is being spent in Riding Mountain park.

Mr. Winch: This vote provides for national parks and historic sites and monuments; construction or acquisition of buildings, works, land and equipment. The further amount required is $2,500,000.

Under this vote I could make an emotional speech, a heartfelt speech and a reasonable speech. However, because I have spoken so often already, I am not going to do that. I intend to direct one question to the minister. In view of the representations which have been made to him and to the board by citizens and organizations in Vancouver, is he in a position to inform me what is the situation now with regard to the request we have been making for the last two years that New Brighton park should be recognized as a national historic site.

Mr. Dinsdale: I am happy to be able to inform the hon. member that certain proposals have been received from people in Vancouver interested in New Brighton park. I believe this is the Hastings townsite park. These proposals will be processed by the historic sites and monuments board when the board meets in May here in Ottawa.

Mr. Wratten: There are two or three projects that I should like to bring to the attention of the minister. They concern places which are either in my riding or very close to it.

The first concerns the Bell homestead where Alexander Graham Bell conceived the idea of the telephone and where the first voices went over the wire. This building is situated on the banks of the Grand river. Due to the erosion of the bank it is necessary, or will be necessary in time, to move this building across the road in order to preserve it and keep it in proper condition.

In drawing this matter to the attention of the minister I express the hope that he will give it favourable consideration and assist us in our endeavour to retain this building as a national historic site. The federal government has recognized it through the erection of a cairn bearing a plaque, so I hope when the time comes to move the building the government will assist us to do it.

Another project to which I wish to direct the minister's attention is the Mohawk church, the first Protestant church to be erected in Upper Canada, now Ontario. On the week end I had the good fortune to visit the site with the parliamentary secretary to the Minister of Trade and Commerce. I was surprised to learn when we went to look over this historic building that it was closed because of a lack of funds with which to repair the heating system. This church was erected in 1785 for the Indians of the Six Nations who came down the Grand river to the fork in the river to worship at this church. Now, due to circumstances beyond their control, it is not open for want of the small sum required to repair the heating apparatus in the church. I believe it would be an excellent gesture on the part of the federal government to make a small grant to the church board to have the heating system repaired. I understand that the last time the building was renovated it was made possible through the generosity of a gentleman in Toronto.

A third project which is not in my own riding but in an adjacent one is the restoration of Chiefswood, the birthplace of the Canadian poetess, Pauline Johnson. The council of the Six Nations Indians, who have not very much money, have allocated $6,400 of their funds to commence this restoration project. They plan to restore the building to its original size. They will restore it to the condition it was in when Pauline Johnson lived there and they also have in mind plans for the erection of a real Indian village on the site to attract tourists to this district and show people how the Indians lived years ago.

If the Indians are willing out of their scanty funds to contribute this sum of money, surely we as a federal government can contribute some money toward the restoration of this building. The old alibi has been that the property must be crown property before the federal government will do anything. As I understand it, Indian property is held in trust by the crown. If it is already held in trust by the crown I fail to see why the federal government cannot take action.

I urge the minister to give this project serious consideration. In fact it would be better if he would consent to visit Brantford so he could see this historic site for himself. He would then have a better idea of what we have in mind.

Mr. Herridge: Mr. Chairman, I observe it is three or four minutes to five. I wish to deal with one question under this item. I wish to launch a full scale attack on the superintendent's administration of Revelstoke park when time is available. The question of historic sites for which we are voting $160,700

interests me. Will the minister inform the committee whether any of this vote is being used for the restoration of steamers on the Yukon river?

Mr. Dinsdale: No, Mr. Chairman. Nothing under this item is used for that purpose. The money voted under this item is used entirely for winter works.

Mr. Herridge: It is not for any project of that kind?

Mr. Dinsdale: No, it is exclusively our winter works program.

Mr. Pickersgill: Mr. Chairman, I wish to say something briefly that is quite relevant to winter works. I had some correspondence with the minister about the employment policy in the Terra Nova national park. I was rather disappointed that the minister to whose letter I admit I have not had time up to now to give a considered reply, because it was a long letter which I suspect the minister had a lot of help in writing, which I do not have—

Mr. Dinsdale: I did it all myself.

Mr. Pickersgill: The minister is straining my credulity. I am not saying I do not believe him but I do not think he expects me to believe him because I do not think he means his statement to be taken seriously.

The minister questioned something I had said about the attitude taken by his predecessor. Although I do not wish to waste any time over this I should like to put a brief reference on *Hansard*. I can give the minister a couple of the references at pages 3536 and 3558 of *Hansard* of August 14, 1958. I shall read the briefest reference to be found at page 3559 which is a follow up of the earlier references. As I said, I do not wish to take a lot of the time of the committee in raising this question. Although it is a local matter it is one of great importance in the locality.

I was addressing the minister's predecessor, the present Minister of Agriculture, with respect to special preferences in employment in the park and the following exchange occurred as recorded at page 3559:

> Mr. Pickersgill: Perhaps the minister would not mind my interrupting him. He does intend to carry out the policy of giving special preference to those people who made their living previously by cutting in the park, as he told Mr. Keough he would?
>
> Mr. Hamilton (Qu'Appelle): Yes. I believe that was satisfactorily stated this afternoon.

The point I wish to make is that that assurance had been given by the minister's predecessors. I have looked up the earlier references and can summarize them much more quickly than I can place them on the record by quoting them. What had taken place before the present government came into office was largely verbal. I placed that statement on the record. That seems to have been the situation that was accepted by the minister's predecessor and it was well understood in the area.

I know the minister is anxious to do the right thing in this matter. I am not attempting to be at all contentious about this. I wish merely to point out that what I said had a basis in what happened right here in the house.

The Chairman: Order. It being five o'clock, so that the house may proceed to the consideration of private members' business, pursuant to section 3 of standing order 15, it is my duty to rise, report progress and request leave to sit again later this day or at the next sitting of the house as the case may be.

Item stands.

Progress reported.

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

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

EDUCATION

REQUEST FOR GREATER FEDERAL ASSISTANCE IN CO-OPERATION WITH PROVINCES

Mr. M. D. Morton (Davenport) moved:

> That a special committee of this house, the membership of which to be designated later, be appointed to study how greater assistance for education can be given by the government of Canada within the provisions of the British North America Act and in co-operation with the provinces.

He said: Mr. Speaker, it was about five years ago that this resolution was placed on the order paper and this is the first opportunity I have had to present it to the house. In presenting this resolution I realize that we may be treading on difficult ground perhaps because of the differences of opinion that surround the question of the role the federal government might play in the field of education. I should like to emphasize that this resolution primarily involves the setting up of a committee to study the problem of education within Canada and to make such recommendations as could be carried out within the terms of the British North America Act and in co-operation with the provinces.

Perhaps the most serious criticism of the resolution would be that this house is not the proper forum to set up a committee of this kind and that if such a committee were set up it should not consist of members of the house but of experts outside the house. All I

can say is that I could not present a resolution which would set up a committee outside the house because it would involve the expenditure of money. As a private member I could not present such a resolution and I felt that in order to bring the matter before the house and to emphasize its importance it would be better to do so in this form.

From early history, Mr. Speaker, the federal government has been giving assistance to education. All parties can be given credit for recommending that the federal government give assistance to education. If hon. members wish to go into the history of such assistance I would refer them to the book written by J. C. Miller entitled "National Government and Education in Canada". It sets out how in the early days the federal government found it necessary to give assistance to agriculture through the provision of agricultural colleges and training. At that time the question did arise whether the federal government was intruding in the field of education but I think it was generally accepted that this was not the type of intrusion that was envisaged under the British North America Act. To give a basis, I should like to quote from the introductory part of chapter 1 of Mr. Miller's book where he states:

> Rarely, if ever, in the course of human history have relations between political systems and educational policies and procedures been as direct and intimate as they are today.

He states further:

> To sum up, government by the whole people best secures the two main objects of all governments—justice and hapiness; justice, because no man or class or group will be strong enough to wrong others; happiness, because each man, judging best what is for his own good, will have every chance of pursuing it. The principles of liberty and equality are justified by the results they yield.

I do not quarrel with the premise set out in the British North America Act. I believe that local administration and control of education should lie with the provinces. There is no serious suggestion anywhere in Canada that the rights of the provinces in the field of education should be encroached upon. However, I feel, as I will discuss a little later, that we have perhaps been placing too narrow an interpretation on the scope that the federal government can take in education. I am strongly of the view that if this country is to succeed we must take a broader view of this matter.

Quite often we have heard people speak in this house and outside it of the necessity of symbols of national unity such as a flag and an anthem, but we can have no outward signs or symbols of unity if we have no real sense of unity of purpose as Canadians and

if there is no opportunity of exchange between cultures. We cannot build a nation if we proceed in ten separate channels ignoring each other.

Because of the various cultural groups now in our country it is essential that as Canadians we make a new appraisal of the situation to provide the opportunity of retaining the best of all cultures and developing a new culture in Canada which will provide an over-all link between all groups. That does not mean doing away with other cultures but providing an over-all link between the various groups within our country. Although our constitution recognizes that we have a bicultural country, we must also realize that since the last world war there are other large cultural groups in Canada and this we cannot afford to ignore. This should point up the real necessity of providing a common link, and this can be done through education.

We also speak of our great national resources and the great material wealth that could be developed in our country, but here again we need proper and more adequate training available for our people so that we can develop these resources. If we are to become a great nation we must think as a great nation. We must ask, what can be done within the terms of the British North America Act to promote this end. We cannot continue to live in the kind of world and society that we had in 1867 at the time of confederation. We cannot have our growth stunted by the shades of those days. If we are to survive we must grow in the world as it is today. We must meet the problems and challenges of today with all the modern thinking and machinery available. This is just common sense. The fact is that we have too many people who are living in the past with old prejudices and old concepts, and it is time we took a new and broader look.

We may ask, what are some of the general needs we can take a look at? There is the matter of research. There can be no complaint about assistance to universities for this purpose. This would not affect the rights of the provinces. Then there are vocational and technical training, where assistance is now being given, and scholarships. There is the provision of methods of co-ordination without interfering with the administrative responsibilities or cultural guarantees within the provinces.

The fact that it was necessary for public spirited citizens to sponsor the Canadian conference on education on two occasions in my opinion points up one of the symptoms and reasons why the time has come when the federal government must take a national look

at education. These people across the country see the points that need to be co-ordinated. They see the difficulties of continuing separately in a provincial atmosphere at a time when we are trying to build a nation to take its place amongst the other nations of the world.

It may be well at this time to insert in the record the purposes of the conference as set out in a letter dated November 8, 1957 which was addressed to the members of the Senate and House of Commons. I quote:

> This conference might be said to represent a decision by educators and others interested in education to take their problems to the people of Canada. They hope to awaken a greater national consciousness of the urgent need for greater educational opportunity in Canada, and for the need to prevent wastage of so much of the nation's human resources. When we couple our educational needs in Canada with the sobering realization of Russian scientific advancement, brought home to every Canadian by the two satellites presently circling the earth, this conference has even greater significance than it had at the time it was conceived.

There has been, perhaps, a difference of opinion as to the success of the Canadian conference on education. However, I think it did bring before the Canadian people the differences in viewpoint in respect of education. I think it did bring home to the Canadian people the importance of education to our nation and the fact that it is a matter of national concern. It is also fair to point out that during the last conference in Quebec it became more apparent that there was a greater realization of the bicultural nature of our educational system as it was first conceived. This basic recognition will provide the opportunity for a greater understanding between the various systems as they are being developed.

The co-ordination of education in Canada has been, to a great extent, left to the Canadian educational association which is made up of the school trustees and leading officials in the field of education throughout all the provinces. This effort is being made on a co-operative basis within the limited resources the association has for carrying out this co-ordination.

Now, Mr. Speaker, the legality of being able to broaden out in this field of education in the future depends upon our interpretation of the British North America Act. Section 93 of the act reads:

> In and for each province the legislature may exclusively make laws in relation to education, subject and according to the following provisions:

Then, the act sets out four provisions, and they are as follows:

> (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 Catholics in Quebec:

Then, paragraphs 3 and 4 set out provisions covering the right of appeal to the governor general in council if any of these sections are violated. I suggest that if we look at education in its historical setting, and examine the dictionary meaning of the word education, we would find that education has two meanings. First, it may mean the totality of experience and, second, the process of instruction. The first meaning is that used in the field of philosophy, whereas the second meaning is the one probably attributed to the word by ordinary people and the statute. If we are successful in arguing for the more restrictive meaning of the word, then it would appear that a fundamental element in education is the existence of a pupil and a teacher or, to put it another way, knowledge or experience being imparted from one person to another. In this case, the word would not include pure or applied research, which is the acquiring of knowledge not by one individual from another individual but rather from the facts or empirical reading.

If we look at the cases that have been decided by our courts, we find that in none of them have the courts actually defined the role of the federal government in education. I think it would be fair to say that at the time of confederation the word "education" had a restricted meaning and related to the manner of instruction. Now, with the broad meaning of education, the federal government would be quite justified in acting as a co-ordinator and giving assistance to education. I think it is important, at this stage in our history, that we broaden our viewpoint, grow up and mature, so to speak. Today there is a great need in the field of education for research in order to ascertain the skills and obtain the knowledge that would be necessary for the development of our country. This is a real problem because this is a country that is full of resources. If we are not capable of developing these resources ourselves, then those people in the world who are hungry for these resources are not going to sit idly by while we fail to take advantage of the things that we have.

I believe also that in this country we should make opportunities available for every young person who is qualified, and who wants an education, to obtain an education or the training necessary to take his place in society. The lack of money should not be a bar to an education. If we are to rise above our petty prejudices, above our narrow, petty politics and

discontinue the unnatural divisions amongst our people, then we must think in terms of educational institutions which will help us to grow up nationally and internationally. This is the field in which the federal government can give leadership. I trust that for the sake of Canada, its future and its place in the world of today, we will broaden our view as to the place of the federal government in the field of education.

Mr. Walter Pitman (Peterborough): I am sure, Mr. Speaker, we are all in accord with the resolution which has been introduced by the hon. member for Davenport. It is a moderate and sensible resolution. I am sure other members will want to speak on it, so I will keep my remarks to a minimum.

As he has suggested, we in this house must concern ourselves more and more with the problem of education at the national level. The main problem, of course, is the fact, as hon. members realize, that this nation dwells under the British North America Act. We have a written constitution which provides that education shall be within the exclusive control of the various provinces.

In a sense, the fathers of confederation were wise. They realized that education should always be very closely related to the parents and that the parents, in the last resort, should have some control over the education which their youngsters were receiving. Yet on the other hand we realize today that this is a very different world. There are certainly no two ways about it: the education which was being dealt with at the conferences in Charlottetown and Quebec is not the education which we are dealing with today.

In 1867 education was regarded as being entirely arts training. It was reading and writing. At the higher levels it was philosophy and literature. Therefore education was entirely concerned with language and religion and therefore, because of the obvious necessity of confederation, education had to be placed within the bounds of provincial control.

Of course today we realize that education has many facets, that it is training in many different areas which have no relationship, or very little relationship, to either language or religion. It means training and education at different levels. Although no one in this house and no party would want to invade or in any way violate the sensibilities of those who are from the province of Quebec, I am sure all of us realize the necessity of taking a very important look at this matter and arriving at a redefinition of education as it relates to the British North America Act.

The second difference that we must consider in the way we look at education and the way the fathers of confederation looked at it, is that at that time education was a relatively simple and inexpensive matter. So far as the average community was concerned it simply involved building a little schoolhouse, getting a retired army officer to inhabit that school for a few months a year, buying a few books and providing a little bit of wood for the stove. That virtually amounted to the complete expenditure which education really meant to the taxpayers. In a sense it was undemocratic in that those who were more wealthy could send their children off to boarding school or overseas to get further education at a higher level.

Of course today we realize that expenditure on education is probably the most terrifying aspect in any budget, be it municipal or provincial. I am sure all of us coming from different constituencies realize the extent to which the cost of education is concerning those in other levels of government. In 1867 the fathers of confederation, in their wisdom, assigned the taxing powers for education to the various levels of government but now, with this tremendous springing out of education, this taxation problem is completely out of balance.

We must now consider that education involves not only monstrous expenditures but has fantastic implications. The whole problem of work force, employment and unemployment, productivity and our capability to compete with other nations which perhaps have more skilled labour forces, and the whole question of national prosperity, depend on what attention we give to the problem of education.

We have been trying to divide it from the exclusiveness of the British North America Act by various methods and I am sure all hon. members would conclude that this is not the best way of dealing with it. We know that the immigration branch does a great deal in the area of education, as does the Department of Agriculture and the Department of National Health and Welfare. Only last week we spent a great deal of time talking about the extent to which the Department of Labour is concerned with the problem of education.

One does not want to insert a problem of controversy here, but this is what I believe to be the primary problem, that we at the national level are having to give out money to be spent by others at other levels of government without having any control and without being able to give any direction or any purpose to the way in which this money is spent. We are unable to give any direction in terms of priority as to where we think the money should go, and this is the reason why often plans which are well recommended and

are acceptable at the national level do not really do what we expect them to do when they reach the local level.

I shall quote from an article in the Toronto *Globe and Mail*, written by J. Bascom St. John, who is probably the best known writer on education that we have. It is headed "Interference by Ottawa", and I should like to read a few paragraphs from it:

> We are not objecting to the use of national revenues for the assistance and advancement of education. In the university field, the government's financial support is an obligation.
>
> It is another thing, however, when without consultation and without constitutional responsibility, the Ottawa government offers a huge sum—so large that Ontario alone may be given $75,000,000—

That is a very conservative estimate because we know already it is $124 million:

> —to build technical and trade schools throughout the country. If, with the Ontario government's share, which is another $25,000,000, the whole amount were to be spent, it would be equal to more than a third of all that has been spent on school building since the war, in this province.
>
> The effect of this gigantic financial pressure is to tip over the balance of the traditional educational program, and force it into a practical groove which hitherto the people of this province have not urgently wanted.

In other words, by spending money so often we may affect education when we do not want to. I shall conclude by reading other paragraphs:

> We are not opposed to dominion government participation in the financing of education. It is a matter of national necessity that more money be provided for education, and this source is the logical one. However, Ottawa should not pick and choose what education it will support, laying down specific terms which must be met before the money is forthcoming, as it is doing with these technical schools, and as the provincial government is letting it do.
>
> This is interference of the most blatant sort in the constitutional rights of the provinces in the field of education.

It goes on to say:

> They should reject the money on these terms. But, if for the sake of the future of the national economy, or the security of the country, or for any other good reason, the dominion government should participate in educational financing, it ought to do so in a proper, constitutional manner.
>
> There ought to be a legal contract between the dominion government and the provinces, and it ought to be framed so the provinces continue to control education.

That is important.

> However, it ought also to provide for national planning of education, co-ordination of policies and programs, establishment of broad aims and means.

I am sure that is what the hon. member who moved the motion hopes would happen, that we would be able to establish broad national aims, and set our aims to meet what we are trying to do.

This was certainly recognized at the Canadian conference on education, which the hon. member mentioned, at which there were several resolutions which indicated the necessity for a greater responsibility at the federal level.

In the Toronto daily *Star* of Wednesday, March 7, there is an article headed "Ottawa urged to set up department of education". It reads:

> Canada should have a federal department of education, two teachers said yesterday at the Canadian conference on education.
>
> Max Bedford, Saskatoon teachers college professor, said the nation could start with a national advisory committee to the federal cabinet, later work up to a ministry.

There is another headline "Ottawa 'must' pay part of costs of education". This is a Canadian Press dispatch and it reads:

> Constitution or no, the federal government must pay some of the costs of education.
>
> That was the obvious sentiment that emerged from the five day discussions of the second Canadian conference on education.

Dr. Penfield, who is very well known in this field, and who was the principal speaker at the conference, was quoted in an article headed "Penfield urges national forum for education"—

Mr. Brunsden: Never mind the headlines. Read the article. The headlines are written by people who don't know.

Mr. Pitman: I do not want to take up the time of the house in reading these articles as I realize there are other hon. members who wish to speak. I hope the motion now before the house will be passed. We must deal with the problem of education at the national level. We must gain a measure of efficiency in what I think it the most important resource that we have in this nation, the minds of our young people.

Mr. H. M. Batten (Humber-St. George's): Mr. Speaker, I think it is timely to have a discussion on a resolution of this type and I commend the hon. gentleman for proposing the resolution to the house. I suppose it is true that across this country people are generally aware that constitutionally and traditionally education has been the business of the provinces. However, I think we have reached the stage in this country when we must recognize the fact that, while education is the responsibility of the different provinces, there is at the same time a national aspect to it.

I hope the time will come when, even though education is under the control of the different provinces, we reach the point of being able to say that there is something Canadian about our own education. Over the years people in different countries have come to respect, for example, the educational system in Britain. There is something distinctly

British about their system. In exactly the same way many of our medical men, for example, go to universities in Europe because these universities have a special importance in particular fields. I believe these universities have derived their importance from the national system of education in which they exist.

Therefore I say again that I hope the time will come when, even though education is the responsibility of the provinces, there will be something distinctly Canadian about our own education.

I support the idea of this committee and I believe there is a job for it to do. In the western world today I think education faces a greater challenge than it has ever faced. I do not think education has to take on a too practical line; I do not think it must be too practical in its aspect. I think it has a broader meaning than that. A knowledge and a sense of education at this time is very fundamental to our own survival. I am not going to delve into this problem too deeply, Mr. Speaker, but it is an interesting one to discuss and to realize the part that education can play in the survival of the western world.

While education is the responsibility of the provincial governments, I think in this country we have reached the time when it should become the responsibility of all levels of government and all people. We often hear the phrase, "Education is everybody's business". One could put up a pretty good argument in favour of that proposition; there is also an equally good argument against it. I believe that education is the business of everybody who has some particular interest in education. However, there are two sides to the question of education. There is the practice of education, and there is the plant and equipment required for the practice of education. If the federal government does not want to interfere in the practice of education and the different provinces are to have their own systems, then certainly the federal government could assist in providing the plant, materials and equipment required for the practice of education. Only by doing this can we bring education across this country in the various provinces up to some acceptable level.

I think democracy is an experiment; I think it is an experiment in faith; I think it is an experiment in the faith that free people are able to protect themselves and preserve their own way of life. I do not think we have proved this yet. But I think that if we can build within our own minds a respect for knowledge, a sense of learning and the feeling that an individual can be a part of the whole and can at the same time be different, then we have taken a considerable step forward toward preserving our own democracy.

Mr. Brunsden: Mr. Speaker, would the hon. member permit a question?

Mr. Batten: Yes.

Mr. Brunsden: Does the hon. member suggest by his remarks that this government has not played a part in building plants and equipment?

Mr. Batten: Mr. Speaker, I made no such suggestion. I suspect that my hon. friend is referring to moneys that were allocated a few days ago in this house, about which I do not suppose I am able to say very much. But if the hon. gentleman were to go back over the debates in this house over the years he would find there have been very, very few occasions when the question of vocational and technical training has come up in this chamber and it did not receive my fullest support.

I am not much interested in which government does what, but I am interested in the support of education. I am not much concerned about who gets the credit, but I am concerned about the results. Therefore I say to my hon. friend that if he has surmised from my remarks that I have not given the present government full credit for what they have done, I can assure him that I did not intend to do so. I can also assure him that I will continue to support vocational and technical education and any other form of education that we feel is required to help the young people of this country become good Canadians.

Mr. Brunsden: Thank you very much.

Mr. Batten: I think one big problem we have across this country is the question of equality of opportunity. In the different provinces we have different systems of education. I think it is fair to say that the system in some provinces may offer better opportunities to their young people than the system in others.

This would not be a very easy problem to solve. I think that if this committee were set up, as the proposer of this resolution has suggested, perhaps one of the things it could study would be what can be done to equalize opportunity across this country and how it can be done, while at the same time preserving those things in each provincial system of education which the people in that province think important.

For example, there are certain things in the educational system of Newfoundland which I would like to see preserved. There are some things in the system of education in Ontario and all the other provinces which the people of those provinces would like to preserve. At the same time there is a national thread through education which I think should

be strengthened so as to give, as I said in the beginning, some national characteristic to our education.

I think one big job that needs to be done across this country is to give to our Canadian people—I do not know a good name for it, but offhand I would call it a sense of learning. After world war II I had the opportunity of dealing with a limited number of young people who came from countries in Europe. Without exception these people brought with them a sense of learning which, while I should not say it was greater than the Canadian student possessed—because at that time I did not know the Canadian student,—certainly was a more intense sense of learning than was found among Newfoundlanders. They had a greater respect for learning; they had a greater yearning to know these things, and they had a greater respect for those who did know.

I think one of the things we have to build up across this country is a sense of learning for its own sake. It has to be done by all forms of government; it has to be done by educational institutions, churches, organizations and everything else; it has to be done by the fathers and mothers. Until we can build across our own country this sense of learning we will never achieve what I hope we will achieve, that Canadian characteristic of education which is so really wanting in this country. I believe this committee could do a great deal to develop this sense of learning among our Canadian people.

Of course, in the higher fields of learning in the universities the federal government over the years has done a great deal to increase opportunities for Canadian students. In my opinion, as time goes on these opportunities will increase until we reach a point at which every young Canadian who has the brains and the ability to complete a university course successfully will have the opportunity of doing so. The federal government is playing its part in this field, and rightly so. Time was in my own province when we had no graduate university and the students had to go to universities in other provinces in order to get a university education. It is true they paid their fees, but even so they were taking advantage of an educational system provided by people living in a province other than their own. Even in that sense, education becomes national, and that is one of the reasons why four or five years ago I approved the action of the federal government in giving support to our universities in Canada. I say again, I hope we are still far below the peak of what will be given to our universities to enable young Canadians to have a chance of availing themselves of opportunities in these fields of higher learning.

I should like to ask the hon. member one question. In part of his remarks he referred to the composition of a committee. I did not hear exactly what he said. Did he say it should be composed of members of this chamber or of people outside?

Mr. Morton: Members of this chamber.

Mr. Batten: Thank you very much.

(Translation):

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, the purpose of this resolution is to suggest that a special committee be appointed to make precise, clear and constitutional proposals on the important matter of education.

We know that the federal government looks especially after naval and military schools and that its authority extends over territories coming under its jurisdiction, such as the Yukon and the Northwest Territories.

Moreover, we find that the federal government made possible certain cultural exchanges on an international level and applied itself to play a part in the field of scientific research, especially with regard to certain jurisdictions defined in section 91 of the British North America Act, such as national defence, civil defence and public health.

The federal government also provides technical assistance to the provinces regarding labour; the responsibility in this field was entrusted to the federal government.

As was pointed out by the mover of the motion under consideration, section 93 also provides an exception under which minorities in a province submitted to discrimination, may appeal to the governor in council who then makes a ruling. In case of non-compliance with this ruling, parliament may implement remedial legislation.

It follows from the list of points I have just given that the federal government may, under the powers conferred by section 91 of the British North America Act, legislate in that field by exception and in a limited way.

Many members have pointed out that the problems we are faced with in 1962, especially material and economic problems, are different from those of 1867. Indeed, that is the opinion I have expressed in this house, on several instances, when I stated that the B.N.A. Act should be amended because today's economic situation is not the same as that of 1867.

At that time, the fathers of confederation, the intellectuals and various groups of Canadians inserted in our constitution a very definite and fundamental section. It was for

that reason that our compatriots from Lower Canada, namely the province of Quebec, agreed to join confederation; it was precisely because section 93 of the constitution provided that education would come under the exclusive jurisdiction of the provinces.

Mr. Speaker, with regard to those exceptions pointed out previously, and to the interpretation which has been widened in all directions since, I would refer the house to a ruling of the Supreme Court of Canada, which I have already quoted here on June 22, 1961. It is a 1938 ruling, stating that the word "education", in section 93, must be interpreted in its wider sense.

The confusion which prevails at the moment has been brought about by the Ottawa Liberal government, which has governed the affairs of this country for 22 years and which, particularly after world war II, when it had to hand back to the provinces their taxation fields and powers, wanted to keep the upper hand on those powers, like some dictatorial paterfamilias in order to be able to distribute them wisely, it claimed, according to its own views.

Furthermore, having too much money at its disposal, it had to intervene in fields coming exclusively within provincial jurisdiction.

In my humble opinion, the problem is not hard to solve. The federal government should hand back to the provinces their taxation powers, so that they may be able to deal with those matters coming exclusively under their jurisdiction.

We have enough problems here in Ottawa both in the national and international field to keep our minds busy. Therefore, we should leave to the provinces the fields that belong to their exclusive jurisdiction.

That is the spirit in which this government has introduced a part of its legislation. In fact, it has amended a regulation concerning grants to universities in accordance with the intent of section 93 and more particularly as far as the province of Quebec is concerned—a province not like the others. Quebec has different culture and traditions of its own and wishes to join with the rest of the country while preserving its real and very distinct entity.

This is a very important problem for the citizens of the province of Quebec and whatever the government in power, whether it be the Union Nationale or the Liberal party, it must be settled to the satisfaction of all.

The present Quebec premier, who, while he was a federal cabinet member, managed to intervene in a field of provincial jurisdiction. Fallen now from the position he enjoyed at the federal level to settle down at the provincial level, as premier of my province, he has become the champion of the exclusive rights of the provinces, and would now like to destroy the idols which he himself contributed to erect.

We have a new fiscal formula. The Prime Minister (Mr. Diefenbaker), the Minister of Finance (Mr. Fleming) and the present government are preaching in favour of a decentralization effort, not a huge one, since, five years hence, the provinces will be handed back only 20 per cent of the taxes levied by the federal government. But just the same, it is a step in the right direction and that is why an editorialist of *Le Devoir* wrote that those provinces which really wish to recover their fiscal liberty should be glad of that formula, because they will find in it the spirit of the confederative pact.

I read recently in the newspapers that the hon. member for Laurier (Mr. Chevrier)—who, of course, belonged to the Liberal government, in power during 22 years—still advocates a formula which would allow more intrusion into an exclusively provincial field. This is what he said:

> If we are brought back into power, the Liberal party in Ottawa will grant 10,000 scholarships of $1,000 each to students across the country.

He explains that these scholarships would not be given directly by the federal government to the students, but through the Canadian universities foundation. That is a condemnable intrusion which surely goes against the spirit of the confederative pact, and especially against clause 93 of the constitution.

Instead of going back, instead of accepting a readjustment or of recognizing that the federal government has interfered where it had no business, the hon. member for Laurier continues to advocate an unconstitutional policy.

He may be surprised to note that this attitude is condemned by different newspapers admittedly sympathetic to the Liberals, in the province of Quebec. May I quote briefly in this regard the conclusions drawn in an article by Mr. Pierre-Paul Blais, editor of the newspaper *La Tribune* of Sherbrooke, on March 13, 1962:

> What cannot be accepted in the field of grants to universities is no more acceptable in the field of scholarships to students. This new plank in the Liberal party platform is a threat of federal intrusion in the field of education and a new encroachment upon the autonomy of the provinces.

Mr. Speaker, I think the principle of this resolution is excellent. At last, it tends to allow discussion in the field of education and federal jurisdiction, that is, the spirit of section 93, which will involve final adjustments that will allow our young Canadians to get a start in life with the best possible education.

(Text):

Mr. D. R. Gundlock (Lethbridge): Mr. Speaker, I should like to compliment the hon. member for Davenport for bringing this resolution before the house. It is not only needed but long overdue. Much has been said here about higher and lower education and all facets of education. In my travels across this country and in my experience in the field of education at all levels I see only a spirit of co-operation among all levels of government whether federal, provincial or municipal. I have never encountered any criticism of a suggestion of this kind.

In my experience the main reason for the introduction of a resolution of this nature is simply that we must have a basic standard. Reference is made to various standards on higher, medium or lower levels but certainly it is logical that we have a basic standard of education. Where it comes from and how it is arrived at are questions which in my opinion are beside the point. The adoption of this resolution could well be a stepping stone toward the realization of this necessary standard.

I wish to say a few words about one of the problems leading to the need of a basic standard for all Canadian students regardless of geographic and financial differences. In this day and age with communications and transportation as they are and with the demands and pressures of a fluctuating and mobile society it not infrequently happens that a student is moved from one part of a nation to another sometimes within the school year. Not just dozens or hundreds but literally thousands of students are affected. For this reason it is important that there be a basic standard.

I heard one hon. member say this afternoon that students should be close to their parents while attending school and I agree with that statement. That is an added reason for making provision in this field. Again I emphasize that there are thousands of students who should be close to their parents while receiving their education. A basic standard is needed.

I cannot agree with the suggestion concerning equalization which one hon. member advanced. I feel, however, there should be at least the basic standard so students do not lose out through transferring from one community to another. This resolution could well precipitate thinking at all levels of government. I see no difference of opinion on this subject among the parties represented in this house or among levels of government across the land.

Someone referred to Quebec a few moments ago. To me this is an outstanding example. I am thinking of a student who comes from a western province to attend university in Quebec. He was not qualified to enter university in a western province because he lacked certain marks in the French language, but in Quebec with a different standard he could attend university and complete his education. That illustration also serves to emphasize my contention that we must arrive at a basic standard of education for Canadian students regardless of financial or geographic differences.

Some hon. Members: Six o'clock.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, perhaps I should find out whether the house leader feels that the government is resolute enough to go on with the supplementary estimates?

Mr. Churchill: We are willing to face up to any situation. The supplementary estimates will be taken up tomorrow, commencing with those of the department of northern affairs.

Mr. Pickersgill: I suggest to the house leader that more progress would be made if he could somewhat restrain his own followers from taking so much time in debate.

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

Supply—Items Passed

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

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

A—Department—

Administration services—
Departmental administration—

637. Administration, operation and maintenance—further amount required, $65,000.

638. Acquisition of common-use field survey and other equipment—further amount required, $187,000.

Surveys and mapping branch—

Canadian hydrographic service—

639. Construction or acquisition of buildings, works, land and equipment—further amount required, $50,000.

Geological survey of Canada—

640. Administration, operation and maintenance—further amount required, $75,000.

Dominion observatories—

Dominion observatory, Ottawa and field stations—

641. Construction or acquisition of buildings, works, land and equipment—further amount required, $60,450.

General—

642. Polar continental shelf project—further amount required, $16,400.

B—Dominion coal board—

643. Payments in connection with movements of coal under conditions prescribed by the governor in council—further amount required, $4,800,000.

END OF VOLUME II